

1    Q.    Further to the response to PUB-NLH-18 in relation to the 2013 RSP proceeding, in  
2            which Hydro stated that it had not considered the introduction of a cap on the  
3            variations in the load component of the RSP while maintaining the current  
4            treatment of both the revenue and fuel components of the load variation  
5            component, what, in Hydro's opinion, are the advantages and disadvantages of  
6            such a cap for customers and for Hydro?

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9    A.    As demonstrated in response to PUB-NLH-289 and PUB-NLH-294, variations of an  
10          even greater magnitude occur in the hydraulic production and fuel price  
11          components of the RSP than in the load component. Under the normal rules of the  
12          RSP, the load variation component is collected or refunded annually and thus it is  
13          unlikely that a cap would be necessary. In Hydro's opinion, there are no advantages  
14          for customers or Hydro in establishing a cap. It would be disadvantageous to  
15          establish a cap if indeed one is not necessary.