

**RSP Rules and Components to be charged to Industrial Customers**

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1 Q. Please recalculate and extend the table in IC-NLH-1 (pages 1-3) on the basis that a 3  
2 year phase in comprised 36 months of rates below the full GRA level (with roughly  
3 equal annual percentage increases), rather than 24 months as shown. Please  
4 specifically indicate the Cumulative Net Balance in the IC RSP Surplus.

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7 A. As indicated in OC2013-089, as amended, the amount of \$49 million is the  
8 estimated RSP amount required to phase-in Industrial rates based on Hydro's  
9 General Rate Application. Since the directed three year phase-in period ending on  
10 September 1, 2015, and the resulting amount of \$49 million, is integral to the rates  
11 policy direction given in the OC, it should not be altered by otherwise extending the  
12 phase-in period to September 1, 2016. Therefore, it is Hydro's position that the  
13 new proposed Section E of the RSP rules, which give effect to the distribution of the  
14 RSP Surplus and the three year phase-in of IC rates, should be finalized at this time  
15 without further review. Refer also to the response to PUB-NLH-11.