

1 Q. Please confirm that if this Application is approved by the Board and if the
2 disposition of the IC RSP surplus balance exceeds \$49 million, then any distributed
3 excess will not be recoverable by Hydro from Newfoundland Power, Newfoundland
4 Power's customers, or any RSP balances in their favor.

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7 A. In its Application "for approval of the Rate Stabilization Plan rules and components
8 of the rates to be charged to Industrial Customers", Hydro is proposing in the RSP
9 Surplus section, Schedule B, that at the end of the phase-in period any remaining
10 balance in the IC RSP Surplus Balance will be added to the IC plan then in effect. It
11 is not contemplated that Newfoundland Power or its customers would be impacted.