

1 Q. Application, July 2013 Rate Stabilization Plan Evidence, page 14/16-17, Hydro
2 states that: "...the IC rate phase in will be considered to have been completed at
3 August 31, 2015."

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5 According to OC2013-089, OC2013-090, OC2013-207 and OC2013-208 the phase-in
6 period will begin on September 1, 2013 and continue over a three-year period. If
7 the effective date of the rate change, as set out in the application, is September 1,
8 2013, how can the phase-in period to August 31, 2015 been seen as a three-year
9 period?

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12 A. Orders in Council OC2013-089 and OC2013-090, as amended, both state as follows:

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14 "1) Effective September 1, 2013, Island industrial customer rates will no longer be
15 frozen. Effective on this date rate increases for island industrial customers will be
16 phased in over a three year period ..."

17 "3) Teck Resources rate increases will be phased in, to a reasonable degree, in three
18 equal annual percentage increases..."

19

20 In Subsection 4) the Lieutenant Governor in Council describes the implementation
21 of three annual rate increases as "the three year Island Industrial rate phase in
22 period..."

23

24 Hydro has developed the IC rate proposal based on annual increases on September
25 1, 2013, September 1, 2014 and September 1, 2015, the three-year phase-in period,
26 and has continued to use the Order in Council phraseology in its filing.