

1 Q. (Re: Response to CA-NLH-58) It is understood that NP, Rural Customers and the ICs
2 receive benefits of reduced energy costs owing to the change in production regime
3 at the CBPP hydro plant. Please explain why it is appropriate for the IC class to also
4 receive benefit of reduced load when there is a change in operation of a hydro
5 plant owned by one of the ICs.

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8 A. In its response to CA-NLH-058 Hydro has indicated the potential benefit to the Cost
9 of Service due to the change in production regime at the CBPP hydro plant.
10 Although there is a change of operation of a hydro plant owned specifically by one
11 of the ICs, through the mechanisms of the Cost of Service this load reduction is
12 allocated to the Industrial Customer class. That is, fuel costs are common and
13 allocated to the IC based upon energy ratios, and the proposed CBPP credit results
14 in fuel savings which should be allocated accordingly.