

1 Q. Please provide revised versions of Table 2 and Table 3 (**page 9, 2015 Interim Rates**  
2 **Application Evidence**) assuming the IC RSP current plan balance of \$6.8 million by  
3 end of 2014 would be recovered over a two-year period as proposed by Hydro in  
4 the 2013 Amended GRA Application (**Section 4.6.5: Phase-in of Island Industrial**  
5 **Customer Rates**).  
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8 A. The two-year RSP balance amortization was proposed in Hydro's Amended  
9 Application to reduce the customer impacts of phasing in the proposed 39.2% base  
10 rate increase. As outlined in Hydro's 2015 Interim Rates Application, the proposed  
11 2015 Test Year base rate increase for the Island IC has decreased to 18.1% as a  
12 result of the lower No. 6 fuel forecast (i.e., \$93.32/bbl vs \$65.63/bbl). If the IC RSP  
13 Surplus is not used to provide at least partial recovery of the IC RSP current plan  
14 balance at end of 2014, there would be approximately \$1 million funds remaining in  
15 the IC RSP Surplus balance as at August 31, 2016.<sup>1</sup> Therefore, the scenario  
16 presented is not a viable option.  
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18 Hydro's response to TIR-IC-NLH-004 provides the revised Tables 2 and 3 if Board  
19 approval is not granted for the disposition of the load variation balance at year-end  
20 2014 and \$6.8 million (rather than the proposed \$4.7 million) is fully funded  
21 through the IC RSP Surplus.

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<sup>1</sup> This assumes 100% RSP Surplus Credit Adjustment for the period March 1, 2015 to August 31, 2016.