

1     Q.     Please confirm that if Hydro retained the industrial rates as per the 2007 GRA, but  
2           increased the energy charge base rate by 16.02 mills/kW.h (equal to the proposed  
3           RSP impact of \$108.70/bbl fuel as compared to \$55.40/bbl fuel), the total revenues  
4           to Hydro from the industrial class base rates would be \$39.405 million (\$7.074  
5           million for demand charges, \$31.646 million for energy charges, and \$0.684 million  
6           for specifically assigned charges).

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9     A.     It is confirmed that the total forecast billings to the Industrial Customers would be  
10           \$39.405 million if Hydro retained the industrial rates as per the 2007 GRA, but  
11           increased the energy charge base rate by 16.02 mills/kWh. This, however, would  
12           not be Hydro's revenue due to the RSP. Hydro's RSP is intended to account for  
13           variations in actual amounts when compared to a Test Year. The load, hydraulic  
14           production, power purchases and fuel are inextricably linked. Adjusting only for  
15           fuel price would result, for instance, in amounts owing to customers through the  
16           RSP for an Industrial Customer load variation when compared to the 2007 Test  
17           Year. Hydro would, in the current scenario, owe money to customers as the IC load  
18           for the 2013 Test Year is substantially less than the IC load for the 2007 Test Year.