

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.