

1    Q.    Does Hydro agree that it is required to ensure industrial rates are adjusted as of  
2        January 1, 2014 in accordance with OC2013-089 as amended whether or not the  
3        Board chooses to adopt interim rates based upon Hydro's untested 2013 Test Year?

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6    A.    Section 5 of OC2013-089, as amended, states as follows:

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8        "Notwithstanding Items 1) through 4) above, effective January 1, 2014, the Island  
9        industrial customers will be subject to Rate Stabilization Plan rate changes in  
10      accordance with the Board of Commissioners of Public Utilities-approved  
11      methodology"

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13      Based on the Government directive, the Board is required to ensure industrial rates  
14      are adjusted as of January 1, 2014 on the basis outlined in the OC. Additionally, as  
15      stated in Hydro's Evidence<sup>1</sup>, the calculation of the amount of RSP Surplus of \$49  
16      million allocated to IC by Government directive contemplates that Hydro's  
17      proposed GRA rates for IC would come into effect on January 1, 2014.

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<sup>1</sup> Interim Rates Evidence, page 8, lines 3-5.