

1 Q. Further to response to Request for Information IR-NP-NLH-2, has Hydro considered
2 how customers may perceive or respond to, in a single calendar year, the possibility
3 of three rate changes (of which some may result in rate increases and some in rate
4 decreases), a customer refund as a result of the RSP Surplus application, and the
5 possibility of a customer refund resulting from the final order on Hydro's 2013
6 General Rate Application?

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9 A. In its Interim Rate Application, Hydro has applied for a rate decrease effective
10 January 1, 2014 for the vast majority of customers affected by the Application.
11 Additionally, in its 2013 RSP Surplus Application, Hydro is proposing to refund
12 approximately \$117.5 million¹ to customers on their April 2014 bills. Hydro believes
13 customers would be favourably disposed to receiving these decreases in their
14 electricity costs. Similarly, in Hydro's estimation, customers would view positively
15 any potential customer refund resulting from the final order on Hydro's 2013
16 General Rate Application. It is not yet known whether the final base rates and the
17 RSP adjustment effective July 1, 2014 will result in a rate increase or decrease,
18 however Hydro believes that, based upon the information that is known, customers
19 would perceive the rate decreases positively.

¹ Estimated March 31, 2014 balance of the NP RSP Surplus, including financing.