

1 Q. The Amended Application requests to “*segregate, within the RSP, amounts*
2 *collected by Hydro through NP’s current Fuel Price Projection rider of 1.634*
3 *cents/kWh until a further order of the Board on the matter*”. However, page 6 of the
4 Evidence related to Hydro’s Amended Interim Rates Application proposes “*the*
5 *existing NP RSP Fuel Price Projection rider of 1.634¢ per kWh be applied to the Deferral*
6 *Account rather than the RSP*”.

7 Please reconcile these statements.

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10 A. In Hydro’s Evidence related to Hydro’s Amended Interim Rates Application it is
11 requested that the NP RSP Fuel Price Projection rider be applied against the
12 Deferral Account as described and illustrated in footnote 3 on page 6. Hydro
13 anticipates that the application of the NP RSP Fuel Price Projection rider to the
14 Deferral Account will occur upon final resolution of Hydro’s GRA when final rates
15 are approved and the revenue shortfall has been determined.

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17 Meanwhile, Hydro’s Amended Application requests that NP’s current Fuel Price
18 Projection rider be segregated in the RSP during the interim period. For clarity, this
19 is an interim step which has the advantage of using the RSP, an existing deferral
20 mechanism, which is defined and has a financing provision. The use of this existing
21 provision will simplify the overall implementation of a deferral and recovery
22 mechanism related to NP.