

1 Q. Hydro's Amended Interim Rates Application proposes that the RSP operate using
2 2013 Proposed Test Year values on an interim basis. Given all RSP balances will then
3 be interim until the Board approves final rates, is Hydro proposing that the July 1st
4 RSP rate change for Newfoundland Power be suspended until final test year inputs
5 to the RSP are approved? If not, please explain the proposed methodology to
6 restate RSP balances once final rates are approved by the Board and the July 1st rate
7 change has already occurred.

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10 A. Hydro is not proposing that the July 1st RSP rate change for Newfoundland Power
11 be suspended until final test year inputs are approved. Hydro proposes that when
12 final Board-approved RSP factors are available, the RSP balances will be restated for
13 the appropriate 2014 period consistent with the methodology approved by the
14 Board. Such restatement would be based on the rates that are in effect, including
15 the July 1, 2014 RSP rate.

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17 Notwithstanding the above, based on existing 2007 Test Year rates, Hydro is
18 currently estimating a small increase of less than one-half of one percent in retail
19 rates on July 1, 2014¹ resulting from the RSP adjustment, which is in accordance
20 with the current approved RSP Rules.

¹ Final RSP rate changes for July 1, 2014 will be determined in April 2014 in accordance with the existing RSP rules.