

1     Q.     The proposed Revenue Shortfall Account Definition states: "This account will be  
2            charged with the difference between revenue at approved 2013 Test Year Rates  
3            and billed revenue at existing rates for all regulated customers except Island  
4            Industrial Customers".

5            Given the Board may approve a different revenue requirement and subsequently  
6            different base rates for Industrial Customers than proposed in the Amended Interim  
7            Rates Application, please explain how the 2014 revenue variance between the final  
8            approved rates and the proposed interim rates will be dealt with for Industrial  
9            Customers.

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12    A.    Hydro has applied for interim rates for the Industrial Customers effective January 1,  
13            2014 in its Amended Interim Rates Application. If interim rates are approved,  
14            Hydro proposes that any differences in revenue between the interim rates and the  
15            phase-in rates be funded from the RSP Surplus as proposed by Hydro. This was  
16            contemplated in the RSP Rules, Section F, subsection 3.1<sup>1</sup>, which uses the  
17            "Approved Island Industrial base rate" in the formula used to determine the funding  
18            drawn from the RSP Surplus.

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<sup>1</sup> Section F, subsection 3.1 defines Island Industrial Customers excluding Teck Resources and subsection 3.2 defines Teck Resources.