

1 Q. Explain how the findings of the Board in Order Nos. P.U. 26(2013) and P.U. 29(2013)
2 in relation to the Island Industrial customer rate phase-in and funding have been
3 addressed in the Interim Rates Application.

4

5

6 A. Board Order Nos. P.U. 26(2013) and P.U. 29(2013) in relation to the Island Industrial
7 customer rate phase-in and funding are addressed in the Interim Rates Application
8 as follows:

9

10 Board Order No. P. U. 26(2013) dated August 30, 2013 in relation to the Island
11 Industrial customer states:

12

13 *1. Hydro shall on August 31, 2013:*

14 *i) credit \$49 million to the Island Industrial customers' Rate Stabilization
15 Plan*

16

17 As stated in response to Request for Information PUB-NLH-7¹ filed during the 2013
18 RSP proceeding, the calculation of the amount of \$49 million contemplates that
19 Hydro's proposed GRA rates for IC would come into effect on January 1, 2014.
20 Approval of Hydro's Interim Rate Application for rates effective January 1, 2014 will
21 be in line with the Government directed allocation of \$49 million of the RSP Surplus
22 to IC.

23

24 *2. The rates to be charged to all Island Industrial customers, as set out in Schedule
25 "A" to this Order, to be effective for electrical consumption on and after September
26 1, 2013, are approved on an interim basis.*

¹ Included as Appendix D in Hydro's Interim Rate filing.

1 The rates approved as set out in Schedule "A" to the Board's Order which became
2 effective, on an interim basis, September 1, 2013, are the phase-in rates directed by
3 Government, and were the interim rates in effect until subsequent issuance of
4 Board Order No. P. U. 29(2013) dated September 30, 2013. Hydro's Interim Rates
5 Application, Schedule A, page 5, requests approval of new IC rates effective January
6 1, 2014 based on the 2013 Test Year included in Hydro's GRA and represents the
7 new base rates for IC. The difference between the IC phase-in rates and the 2013
8 Test Year based rates is directed to be funded from the RSP Surplus and which
9 funding was contemplated in the Government directed amount of \$49 million to
10 become effective January 1, 2014.

11
12 Board Order No. P. U. 29(2013) dated September 30, 2013 in relation to the Island
13 Industrial customer states:

14
15 *3. The rates to be charged to Island Industrial customers to be effective for electrical
16 consumption on and after September 1, 2013, are approved on an interim basis, as
17 set out in Schedule A to this Order.*

18
19 The rates approved as set out in Schedule "A" to the Board's Order which became
20 effective, on an interim basis, September 1, 2013, are the phase-in rates directed by
21 Government, and are intended to continue in effect until August 31, 2014. Hydro's
22 Interim Rates Application, Schedule A, page 5, requests approval of new IC rates
23 effective January 1, 2014 based on the 2013 Test Year included in Hydro's GRA and
24 represents the new base rates for IC. The difference between the IC phase-in rates
25 and the 2013 Test Year based rates is directed to be funded from the RSP Surplus
26 and which funding was contemplated in the Government directed amount of \$49
27 million to become effective January 1, 2014.