Q. Further to the response IR-IC-NLH-003, provide the 2014 rates for each customer class assuming that current base rates are adjusted to reflect only the fuel forecast of September 2013. Revise IR-IC-NLH-004 and IR-IC-NLH-005 accordingly.

A. Hydro does not believe that base rates should be adjusted with reference to only fuel prices, as load, hydraulic production, power purchases and fuel are inextricably linked. The RSP impacts would need to be considered in order to ensure a reasonable allocation of fuel costs among the customer groups. Implementation of only fuel price changes, for instance, would result in the hydrology and load variations being calculated with reference to production and load assumptions (volumes and costs) from 2007, with a 2013 fuel price forecast. Please see Hydro's response to IR-NP-NLH-029 for Hydro's suggestion as to how the RSP would need to be updated.