

1 Q. Reference: Amended Interim Rate Application, Schedule A, pages 5 and 6
2 Reference: Amended Interim Rate Application, Evidence, page 3, lines 20 to 23
3 Page 3 (lines 20 to 23) of the Evidence filed by Hydro reads:
4 "Therefore, the IC will see no change in the base rate amounts they pay on their
5 monthly bills. **However, Hydro is proposing that the IC RSP rate be adjusted to**
6 **reflect the December 2013 current balance and a fuel rider based upon the 2013**
7 **Test Year.**" (emphasis added). Consistent with this statement, the rates on page 5
8 of Schedule A include a base rate that is stated to be subject to an RSP adjustment
9 and a calculated RSP adjustment of 0.051 c per kWh. However, the interim rates at
10 page 6 of Schedule A contain an RSP adjustment of 0.00 c per kWh.
11 Please confirm that either (i) the interim rates will include an RSP adjustment of
12 0.051 c per kWh or (ii) the RSP adjustment of 0.051 c per kWh will be taken from
13 the RSP Surplus account.

14
15
16 A. In its Amended Interim Rates Application, Hydro is proposing that interim 2013 Test
17 Year base rates be subject to an RSP adjustment of 0.051 ¢ per kWh effective
18 January 1, 2014, as indicated on page 5 of Schedule A, per the normal operation of
19 the RSP¹. The RSP adjustment of 0.00 ¢ per kWh referenced on page 6 of Schedule
20 A to the Application is under phase-in rates for September 1, 2013 to August 31,
21 2014 which excludes the RSP adjustment. The calculation of the phase-in rates is
22 provided in the RSP Rules in Schedule B to the Application, pages 9 and 10.

¹ OC2013-089 s.5, as amended, states that "Notwithstanding Items 1) through 4) above, effective January 1, 2014, the Island Industrial customers will be subject to Rate Stabilization Plan rate changes in accordance with the Board of Commissioners of Public Utilities-approved methodology".