

1 Q. In the 2013 GRA Hydro proposes a change in the allocation methodology for the
2 load variation component of the RSP; i.e., on the basis of load ratio share. What
3 does Hydro propose as the effective date for the change in this allocation
4 methodology? Please provide Hydro's justification for choosing this date.

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7 A. Hydro proposes the change in the method to allocate the load variation component
8 be made at the conclusion of the GRA and be based on an effective date of
9 September 1, 2013 (i.e., the date the segregated balance in the load variation
10 component was established).

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12 The balance in the load variation component to August 31, 2013 was dealt with
13 through Government directive. Hydro is proposing that the balance that has
14 accumulated since August 31, 2013 be allocated based on proportionate energy
15 sales, rather than being directly assigned.

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17 Hydro identified concerns with the current method of allocation in its 2006 GRA and
18 has proposed to allocate the load variation component based upon a rolling 12
19 months of actual energy sales consistent with the allocation of fuel costs in the RSP.