

1    Q.    Reference: Application, section 10

2       If the Board approves the \$29.4 million transfer from the Hydraulic Production

3       Component of the RSP, what impact (in ¢/kWh) will this have on each customer

4       class in 2015?

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7       A. The 2015 customer impact will depend on the approach approved by the Board for

8       the recovery of the 2014 net income shortfall.

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10      If the Board approves the 2014 net income shortfall to be recovered through a

11      three year amortization in the 2015 cost of service study, the impact on customer

12      rates for 2015 to 2017 is estimated to be between 1.5% and 2%.

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14      If the Board approves the 2014 net income shortfall to be recovered through

15      disposition of the credit balance in the RSP Hydraulic component, base rates will

16      not increase in 2015 to recover the shortfall. However, there will be a lower credit

17      balance in the RSP Hydraulic component to apply to the annual rate adjustments

18      over the amortization period.