

1 Q. (RSP Application, PUB-NLH-5) Given that Hydro is proposing that IC interim rates
2 from January 1, 2008 to August 31, 2013 be made final, and that it is within the
3 discretion of the Board to decide whether to review this matter, will Hydro be filing
4 additional evidence to enable the Board to conduct a review of this matter?

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7 A. It is Hydro's view that additional evidence is not needed for the Board to make this
8 decision as there is already considerable evidence on these issues before the Board.
9 In addition, the Board can consider the policy guidance on this issue that is inherent
10 in OC2013-089, as amended.

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12 The essence of the issue to be considered by the Board in finalizing interim rates
13 concerns the RSP; it does not engage other rate setting issues. Because the
14 directive has been given as to the load variation allocation between the customer
15 classes, there is little of substance left to consider, though the matter is clearly, by
16 its nature, within the discretion of the Board.

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18 The Board has been directed to divide the balance in the RSP Surplus with \$49
19 million to the IC RSP and the balance to Newfoundland Power's RSP. A review of
20 PUB-NLH-7 shows the allocation of the RSP balance in accordance with the
21 directive. In light of this directive on the distribution of the RSP balance between
22 the customer classes, and the fact that this approach will effect a complete
23 treatment of this issue by using all of the RSP balance that can properly be under
24 consideration, Hydro believes that further evidence on the matter is unnecessary.
25 Since the directive has been issued, all matters concerning the distribution of the
26 RSP balance have been resolved and the interim rates can now be made final
27 without further review.