

1 Q. OC 2013-089 dated April 4, 2013 states that "On June 30, 2013 the Island industrial
2 customers' Rate Stabilization Plan will be credited with \$56.5 million, the estimated
3 Rate Stabilization Plan amount required to phase-in industrial customer rates,
4 based on Newfoundland and Labrador Hydro's General Rate Application". OC 2013-
5 207 dated July 16, 2013 substitutes the aforementioned amount of \$56.5 million
6 with \$49 million. Please explain what circumstances and assumptions in relation to
7 Hydro's General Rate Application changed so that the amount required to phase-in
8 industrial customer rates could be reduced from \$56.5 million to \$49 million.

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11 A. In its GRA filing, Hydro has requested new rates effective January 1, 2014. As
12 shown in the response to PUB-NLH-7, with new rates effective January 1, 2014 and
13 based on the 2013 Test Year, the allocation of \$49 million is adequate funding to
14 enable the three-year phase-in ordered by the Government directive dated July 16,
15 2013. The Order in Council dated April 4, 2013 would have assumed an earlier
16 implementation date for Hydro's new rates and thus more RSP funding would have
17 been required.