

1 Q. Please provide a 5 year IC RSP scenario (showing all monthly calculations,
2 transactions and balances) based on all of the following components – (1) of the
3 \$49 million IC RSP surplus, a portion of the balance is held to the benefit of CBPP
4 and NARL to give effect to section 73(1) of the Act as per IC-NLH-23 above, (2) the
5 IC rate phase-in is to occur over a full 36 months, with the last rate change to the
6 full new GRA rate level occurring at September 1, 2016 using approximately equal
7 annual rate changes throughout the period, (3) The residual IC RSP deficit as of
8 September 1, 2013 is amortized over 5 years (equal charge per kW.h) to all IC
9 customers being served at any given point in time.

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12 A. The information in OC2013-089 as amended, allows one to draw the following
13 instructions:

- 14 (i) the amount of \$49 million will be used to fund the shortfall in Hydro's
15 revenues as a result of the IC rate phase-in;
16 (ii) the final rate change to the full new GRA rate level occurs on September 1,
17 2015, as outlined in PUB-NLH-11; and
18 (iii) the allocation of the amount of \$49 million, as outlined in response to PUB-
19 NLH-7, includes the August 31, 2013 RSP balance owing of \$39 million from
20 the IC class.

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22 Since there is Government direction on the use of the \$49 million, including the
23 allocation of a portion to cover the \$39 million IC RSP deficit as outlined in IC-NLH-
24 11, and a required three year phase-in period ending on September 1, 2015 as
25 stated in PUB-NLH-11, these instructions in the OCs are integral to the rates policy
26 direction given and should not be altered. Therefore, it is Hydro's position that

- 1 these matters should be finalized at this time without further review. Refer also to
- 2 the response to CA-NLH-20.