

1 Q. Application, page 2, number 9

2 "Hydro is therefore applying for the following rate changes, also set out in
3 Schedule A of this Application, for Industrial Customer effective September 1,
4 2103:

5 (a) Eliminating the RSP Rate for all Industrial Customers except Teck Resources;
6 and

7 (b) Setting the Teck Resources RSP Surplus adjustment rate to 1.111 cents per
8 kWh."

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10 Please explain why, given the filing of Hydro's General Rate Application requesting
11 new base rates to become effective January 1, 2014, the requested RSP and base
12 rates to become effective September 1, 2013 should not be made interim.

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15 A. The elimination of the RSP Rate for all Industrial Customers except Teck Resources,
16 effective September 1, 2013, is as directed by Lieutenant Governor in Council
17 through Orders in Council OC2013-089 and OC2013-090, as amended. Therefore
18 Hydro believes there is no discretion in setting the rates for these customers and it
19 therefore should be ordered to be final by the Board effective September 1, 2013.

20 The formula for the calculation of the rate for Teck Resources is outlined in
21 Schedule B, Section E of the RSP Application and since the parties have expressed
22 concerns that they have had insufficient opportunity to fully consider certain
23 matters in this Application, Hydro proposes that, on an interim basis, the RSP
24 Surplus adjustment rate to be paid by Teck Resources for consumption on or after
25 September 1, 2013 shall be (1.111) cents per kWh, which credit shall be funded
26 from the Industrial Customer RSP Surplus.