

1 Q. In Board Order No. P.U. 40(2003), the Board noted that the Participating Parties
2 had proposed changes to the RSP that would cause the fuel element of the load
3 variation component to be assigned to the customer class which caused the
4 variation, as had already been the treatment of the revenue element of the load
5 variation component. The Board reviewed the evidence regarding this matter and
6 approved the amendment.

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8 Has Hydro considered maintaining this treatment of both the revenue and the fuel
9 elements of the load variation component of the RSP while putting in place a cap on
10 the variation that would require that for variances outside of this cap Hydro would
11 be required to seek relief? If not, why not?

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14 A. While the Board approved the above-noted amendment, in Order No. P.U. 14(2004)
15 it agreed that “ongoing monitoring of the RSP is necessary to ensure that the plan is
16 operating as intended in light of the changes approved in Order No. P. U. 40(2003)”.
17 In its 2006 review of the RSP, Hydro provided its rationale for its proposed change
18 to the load variation allocation. Hydro continues to believe that the load variation
19 should be allocated among the customer groups in a manner more closely aligned
20 with its Cost of Service methodology. As a result, Hydro has not considered such a
21 cap.