

1 Q. (Summary Report – Additional Cost of Service Information, page 11, lines 5 to 6) It is
2 stated “*The conclusion of the existing RSP adjustments will impact billings to*
3 *customers but will not increase Hydro’s revenue unless new base rates are*
4 *approved.*” Please explain in detail what Hydro means when it says, “*the conclusion*
5 *of the existing RSP adjustments*”.

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8 A. On July 1, 2018 the Rate Stabilization Plan (RSP) Mitigation Adjustment approved by
9 the Board in Order No. P.U. 16(2017) will expire. This will result in increased billings
10 to Newfoundland Power of approximately \$53 million however;¹ these additional
11 billings will flow to the RSP and will not contribute towards recovery of Hydro’s
12 2018 revenue requirement.

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This adjustment will be dealt with through Hydro’s annual RSP update to be filed
with the Board on the 10th working day of April 2018 (April 13, 2018).

¹ See Appendix K of Additional Cost of Service Information, page 1 of 3.