

1 Q. (Summary Report – Additional Cost of Service Information, page 16, lines 4 to 7)  
2 Hydro states *“If the Board approved the use of the Expected Supply Scenario, Hydro*  
3 *would propose to modify the RSP rules to dispose the balance in the RSP Hydraulic*  
4 *Variation Component over the same period as the Board would determine for*  
5 *disposition of the balance in the Energy Supply Cost Variance Deferral Account.”*  
6 What period of time is Hydro proposing for disposition of the balance in the  
7 account and why would it be any more than one year?

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10 A. If the Board approves the use of the Expected Supply Scenario, Hydro believes that  
11 the disposition of the Revised Energy Supply Cost Variance Deferral Account,  
12 included as Appendix L to its Additional Cost of Service Information, be aligned with  
13 the disposition of the Hydraulic Production Variation component of the Rate  
14 Stabilization Plan (RSP).

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16 Currently there is no pre-defined disposition period for the Energy Supply Cost  
17 Variance Deferral Account. The RSP rules require that the balance in the Hydraulic  
18 Production Variation component be amortized over a four-year period.<sup>1</sup> Further  
19 review of the disposition period should be considered under the Expected Supply  
20 Scenario.

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<sup>1</sup> Rate Stabilization Plan rules, Section A.3.