

1 Q. On page iv of Navigant's Executive Summary, it states:

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3 *We recommend that the customer's net consumption be billed*
4 *using the tariffs which would normally apply to a customer of the*
5 *same size, type and location and that the customer be*
6 *compensated for excess power at the same rate, unless the*
7 *Government chooses to introduce a different rate for power*
8 *produced from renewable sources.*

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10 Please confirm that using the retail rate, as provided in the provincial Net Metering
11 Framework, for the purchase of excess generation credits would be more reflective
12 of Navigant's recommendation.

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15 A. It is confirmed. However, as stated in Hydro's response to CA-NLH-008(a), the
16 customer's net energy use will be billed using the retail rates for all billing months
17 with the exception of the settlement month on the Annual Review Date. If
18 customers do not have excess generation credits during the settlement process, the
19 proposal to use a marginal cost-based payout rate will have no impact on
20 customers.

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22 As stated in Hydro's response to PUB-NLH-003, the use of a rate, other than the
23 retail rate, for the purchase of excess generation credits was discussed with
24 Government prior to Hydro's filing its Application.