

1 Q. In Clauses 12 and 13 of the Application, it is stated that the Industrial Customer  
2 rates were made "interim" in January 2008 on the basis that the normal operation  
3 of the RSP could cause significant rate volatility for the Island Industrial Customers.

4 (a) What evidence is available to Hydro now to support finalizing IC rates  
5 without first resolving the issue of disposition of the RSP Plan balances that  
6 was not available to Hydro in December 2007 when Hydro recommended  
7 the IC rates be made "interim"?

8 (b) Please provide copies of minutes of meetings, emails and all other  
9 correspondence between Hydro and the Industrial Customers prior to the  
10 Application filed on December 20, 2007 which requested a continuation of  
11 current IC rates on an interim basis.

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13 A. (a) When Hydro proposed interim rates for its Industrial Customers in its  
14 December 20, 2007 filing, it was in the context of the shutdown of a paper  
15 machine at the Corner Brook Pulp and Paper mill in November and the  
16 potential volatility it could cause in Industrial Customers' rates.  
17 Subsequently, further shutdowns of pulp and paper operations have  
18 occurred which had a significant load reduction on the Island Interconnected  
19 system, and which, once again, had the potential to cause volatility in  
20 Industrial Customers' rates. As indicated in Hydro's response to CA-NLH-9,  
21 Industrial class load may have stabilized at this much lower level and  
22 therefore, as Hydro proposes in its current application, it may be timely to  
23 finalize the rates which have been approved on an interim basis since  
24 January 1, 2008. Also, as outlined in the response to CA-NLH-9, Hydro  
25 believes that the issue of the disposition of the RSP balances can be resolved  
26 concurrent with the finalization of Industrial Customers' rates.

27 (b) Please see response to NP-NLH-19.