

1 Q. **Re: Proposed RSP Changes**

2 On page 4 and 5 of Mr. Greneman's evidence, he states:

3 "In response to PUB-NLH-24 in this proceeding, Hydro indicated that although it has
4 not developed any specific proposals, in light of the change in markets and fuel
5 prices the RSP may need to be substantially modified or replaced and that the
6 Board may consider ordering development of policies and procedures that reflect:

- 7 • NP being invoiced monthly by Hydro for costs incurred related to fuel and, in
8 turn, NP dealing directly with their customers on matters of retail price signal
9 and customer billing and payment options;
10 • Hydro dealing directly with its IC and giving consideration to such matters as
11 price signal, and payment options, as well as having RSP amounts become
12 accounts receivable or accounts payable from/to each IC each month rather
13 than Industrial class RSP balances which are not tied directly to each customer;
14 and
15 • Hydro developing a proposal regarding hydraulic stabilization."

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17 Is it Mr. Greneman's opinion that implementing IC RSP changes in which RSP
18 amounts are specific to each IC necessarily requires changing the Retail portion of
19 the RSP? Please provide detailed reasons for the response.

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22 A. No. The reasons for changing the Retail portion of the RSP are outlined in the
23 response to NP-NLH-25.