Q. **Reference: Application, Volume I, Section 5.7.5 Load Variation of Long Term Supply Deferral Account**

The load variation indicates that variations in export sales revenues arise due to changes in customer usage. Please confirm:

a) This relationship only applies when loads are below the Base Block Energy, and not when loads are above the Base Block Energy when there is no effect on Hydro regulated export revenues. If not, please explain.

b) There is no load variation deferral related to changes in demand revenues.

A. **a)** It is confirmed.

b) It is confirmed.