

1 Q. **IIC Rate Phase-in**

2 (Amended GRA) On page 4.21 (lines 1 to 2) it is stated "*Hydro is proposing to*  
3 *implement IC rates effective January 1, 2015 on an interim basis*". IC rates were not  
4 implemented effective January 1, 2015. Neither were they implemented September  
5 1, 2014 as required under the Government OCs (OC2013-089, as amended), and it  
6 appears they will not be implemented March 1, 2015 as proposed in the 2015  
7 Interim Rates Application. With Teck Resources closing operations in June 2015, it  
8 appears that there will be a revenue shortfall. How much revenue shortfall will be  
9 attributable to Teck Resources and what avenues are available to collect the  
10 revenue shortfall? Please specifically show the expected impact on each customer  
11 class of any revenue not recovered from Teck Resources.

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14 A. Delayed implementation of proposed interim rates beyond January 1, 2015 has  
15 created a revenue shortfall from all customers in the Island Industrial Customer  
16 class. Hydro does not specifically assign the revenue shortfall by customer. The  
17 actual revenue shortfall for the Island Industrial Customer class will be determined  
18 upon approval of final customer rates at the conclusion of the GRA.

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20 The methodology for recovery of the 2015 revenue shortfall resulting from delayed  
21 rate implementation will be subject to approval of the Board. However, Hydro will  
22 propose that the 2015 revenue shortfall attributable to the Island Industrial  
23 Customer class be recovered from the Island Industrial Customer class.