

- 1 Q. If Hydro does indeed have some flexibility to “time” its debt issues during the
2 Test Year to take advantage of relatively-more-favourable interest rate
3 environments, will the application of the adjustment formula proposed in
4 Exhibit MGB-1 not embody any inherent bias toward enabling Hydro to over-
5 earn its allowed return on equity each year? If not, please explain why not.
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8 A. Please refer to response to CA 100 NLH.