

1 Q. **Natuashish**

2 The agreement says “The parties consent to Hydro deferring the recovery of
3 any costs incurred by Hydro in providing service to Natuashish until the
4 matter is dealt with by the Board on a subsequent application by Hydro.” Is it
5 intended that it is agreed that the amount is to be recovered by Hydro with
6 the manner of disposition to be addressed later or that the determination of
7 whether there should be recovery is also to be determined by the Board
8 later?

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11 A. This provision of the Parties’ Agreement on Revenue Requirement states
12 that a forecast deficit amount of \$380,000 that was anticipated will be
13 removed from the 2007 test year revenue requirement but that, should Hydro
14 become responsible for these costs in 2007, Hydro would be permitted to
15 defer the recovery of those expenses until the matter is determined by the
16 Board.

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18 In Hydro’s view, the parties have agreed in principle to Hydro deferring these
19 costs to be recovered later. That is to say, the parties will not object to the
20 recovery of these costs at that time on the basis that they were incurred in a
21 prior year. However, the amount of those recoveries, if any, will remain a
22 matter for the Board’s determination at an appropriate time.