

1 **Q. Schedule 1, Page 3 of the application states:**

2  
3 *“It is unlikely that a Newfoundland Power GRA filed by June 1, 2015 would be*  
4 *concluded prior to sometime in 2016, likely late in 2016.<sup>6</sup> This degree of regulatory lag*  
5 *would be extraordinary for a Newfoundland Power GRA.<sup>7</sup>*

6  
7 <sup>7</sup> *The Board typically takes 7 to 9 months to render an Order on a Newfoundland*  
8 *Power GRA. See Order Nos. P.U. 19 (2003), P.U. 32 (2007), P.U. 46 (2009) and P.U.*  
9 *13 (2013).”*

10  
11 **Assuming NP’s GRA was filed on June 1, 2015; does NP consider it reasonable for**  
12 **the Board to approve 2016 rates on an interim basis prior to fully testing costs? If**  
13 **not, why not?**

14  
15 **A.** For reasons explained in the evidence filed with the Application, Newfoundland Power  
16 has not indicated that it will file a general rate application (“GRA”) on June 1, 2015.

17  
18 If Newfoundland Power were to file a 2016 GRA on June 1, 2015 with a 2016 test year, it  
19 is likely, given the current schedule for hearing of Newfoundland and Labrador Hydro’s  
20 (“Hydro”) amended GRA, that the conclusion of Newfoundland Power’s GRA is unlikely  
21 before late 2016 or early 2017. For this reason, the 2016 deferred cost recovery proposed  
22 in the Application is the superior alternative to addressing the current circumstances.

23  
24 Depending on the timing of the Board’s decision, this would not provide Newfoundland  
25 Power a reasonable opportunity to recover its 2016 costs on a prospective basis.<sup>1</sup>

26  
27 For further information regarding the appropriateness of the 2016 deferred cost recovery  
28 proposed in the Application, refer to the responses to Requests for Information  
29 PUB-NP-001, PUB-NP-002, PUB-NP-003, PUB-NP-006, PUB-NP-007 and  
30 PUB-NP-008.

---

<sup>1</sup> For information on the prospective nature of rate regulation in Newfoundland and Labrador, refer to the response to Request for Information PUB-NP-006.