

1 **Q. Please detail any changes made to the test year budget by the Executive upon its**  
2 **review and provide a table comparing the original consolidated corporate forecast**  
3 **to that approved by the Executive and contained in the GRA.**  
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5 **A. *Background***

6 In Order No. P.U. 13, (2013), the Board ordered Newfoundland Power file its next  
7 general rate application with a 2016 test year on or before June 1, 2015 unless otherwise  
8 directed by the Board. In Order No. P.U. 15 (2015), the Board deferred the filing date for  
9 Newfoundland Power's next general rate application to October 16, 2015.

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11 On April 15, 2015, Newfoundland Power applied to the Board seeking approval to file its  
12 next general rate application by June 1, 2016 with a 2017 test year. On July 15, 2015, in  
13 Order No. P.U. 23, (2015), the Board denied Newfoundland Power's application to file  
14 its next general rate application by June 1, 2016 with a 2017 test year.

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16 ***The 2016/2017 Test Period Budget Process***

17 Typically, Newfoundland Power develops its corporate forecast via an iterative process  
18 whereby departmental inputs are consolidated into a corporate forecast. Once the  
19 corporate forecast is consolidated and agreed to by the departmental Directors, it is  
20 reviewed and, where appropriate, adjusted by the Executive.

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22 The development of the 2016/2017 test period budget did not follow the typical process.  
23 Upon receipt of Order No. P.U. 23 (2015), management had 3 months to develop the  
24 application and evidence, including the test year budgets, for the *2016/2017 General Rate*  
25 *Application*. To expedite development of the 2016/2017 test period budget, it was  
26 decided to expedite the typical iterative process by having the Company's 3  
27 Vice-Presidents actively engaged in the budget development from the outset.

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29 Because of the approach taken to develop the 2016/2017 test period budget, an *original*  
30 consolidated corporate forecast for the test period developed by the departmental  
31 Directors was not created. Accordingly, it cannot be compared with the test period  
32 budget approved by the Executive and included in the general rate application in the same  
33 manner done in the response to Request for Information CA-NP-410 in Newfoundland  
34 Power's *2013/2014 General Rate Application*.

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36 For further information on efficiencies contained in the 2016/2017 test period, please  
37 refer to the response to Request for Information PUB-NP-011.