

1 **Q. Page 17, line 9 to page 18, line 17. Mr. Bowman has made recommendations**
2 **on actions that the Board should direct Hydro to take which involves the**
3 **filing of new information and new proposals by Hydro. Please provide the**
4 **timeline by which this additional information should in Mr. Bowman's**
5 **opinion be made available to the parties and describe the regulatory process**
6 **Mr. Bowman would recommend to address the new information, including**
7 **the consequences for Hydro's current application.**
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9 **A.** Mr. Doug Bowman acknowledges that the new information summarized in his
10 response to PUB-CA-003 is extensive and likely to take some time. He does not
11 know how much of this information may already be available to Hydro. By now,
12 Hydro is well aware of the parties' concerns with its Application, and presumably,
13 Hydro considered different alternatives before settling on the scenario filed.
14 Further, Hydro has had plenty of time to develop the information given that the
15 Muskrat Falls project and associated transmission were committed many years
16 ago, and that as stated in the August 19, 2016 Liberty report (Page 113, VI-12)
17 "*Given that the Maritime Link will be in service in about one year, there does not*
18 *appear to be suitable progress in resolving issues relating to market transactions,*
19 *such as responsibility, rate treatment, open access, and avoidance of conflicts*
20 *between marketing and operations.*" Mr. Doug Bowman notes that the information
21 requirements identified in PUB-CA-003 relate only to cost of service issues –
22 there would be no further need to audit Hydro's costs or accounting treatments.
23 With this in mind, Mr. Doug Bowman suggests the following:
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- 25 a) By year-end 2017, the Board directs Hydro to file the information
26 documented in PUB-CA-003.
- 27 b) Hydro provides the Board with an estimate of the time necessary to
28 respond, but a month would appear to be reasonable.
- 29 c) Hydro files the information with the Board and the parties within the
30 agreed timeframe; i.e., one month.
- 31 d) Two weeks after filing the information, the parties convene in St. John's
32 and Hydro presents the information to the parties and the Board. The
33 negotiation sessions commence with Hydro's presentation. The
34 negotiation sessions may take a week.
- 35 e) Following negotiations, the parties file a report with the Board
36 identifying issues that have been settled, and issues that remain to be
37 settled; i.e., one week following the negotiation sessions.
- 38 f) The hearing commences. It may be necessary for the experts to file
39 supplemental evidence in the event that there are cost of service issues
40 that have not yet been resolved.
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1 The current schedule for the Application would be delayed by 4 to 5 weeks with
2 negotiations beginning mid-February 2018 (rather than January 10, 2018). This
3 assumes the Board provides such direction to Hydro by year-end 2017, and that
4 Hydro agrees to provide the information in a month. Although a 4- to 5-week
5 delay is undesirable, it is better to get the process right than to implement the rate
6 regime proposed by Hydro in the current information void. Mr. Doug Bowman
7 notes that there has been discussion over the years about having Hydro verbally
8 present to the parties its proposals in an effort to shorten the Application review
9 process and improve regulatory efficiency. This setting provides a good
10 opportunity to test the premise