

1 **QUESTION:**

2 (page 3, lines 1 – 3 and footnote 6) Is Mr. Bowman proposing that in the future when such  
3 situations arise, Hydro 1) file a GRA, or 2) apply for a rate rebalancing review? Please provide  
4 support for your response.

5 **RESPONSE:**

6 Mr. P. Bowman is not necessarily proposing one or the other. In an appropriately structured  
7 regulatory environment, where the utility is at risk for its own load, each option noted are tools  
8 that a utility may use to try to address material changes in its circumstances, subject to  
9 acceptability to the regulator.

10 Where circumstances arise due to significant permanent changes to system load characteristics  
11 that drive changes in a utility's ability to recover its revenue requirement, base rates are properly  
12 adjusted through a General Rate Application. In some circumstances it is possible that only  
13 system loads and fuel volumes require adjustments; in those situations a limited scope  
14 rebalancing may be appropriate (such as contemplated in the IC rate design report).