

1     Q.     (Re: CA NLH-116) Hydro has projected that 2015 Additions to Plant in Service will be  
2             \$203,407,026, almost twice the amount projected in future years. Please explain  
3             the mechanism would Hydro have in place, or propose to put in place, to address  
4             the impact of such a significant expenditure, should it in fact take place.

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7     A.     In addition to financing and depreciation costs, which result from additions to plant  
8             in service, Hydro's costs are also impacted by fuel cost, the largest single  
9             component of revenue requirement, as well as other factors including the volume  
10            of sales. Hydro believes that assessing the impact of significant capital expenditures  
11            on the revenue requirement is best dealt with in the context of a GRA proceeding  
12            when the final forecast impact of all variables on rates is known.