

1 **Q. Page 24 states "...I recommend that the Board order Hydro to use a test year in**
2 **the cost of service study that is representative of the load forecast during the period**
3 **rates are expected to be in effect with costs and customer class cost allocations**
4 **adjusted accordingly." Is Mr. Bowman recommending Hydro modify its 2015 Test**
5 **Year strictly to reflect revised load, hydraulic generation, purchases and fuel costs**
6 **or is Mr. Bowman recommending Hydro update all its costs to reflect 2016 forecast?**
7 **Please clarify this recommendation.**
8

9 **A.** Mr. Doug Bowman recommends that Hydro modify its 2015 test year to reflect loads
10 that are more representative of the 2015 to 2017 period when the rates are expected to be
11 in effect. Production quantities and costs should be adjusted accordingly. The
12 adjustments should be made in a manner that lends greater confidence that proposed rates
13 are just and reasonable. As explained in Mr. Doug Bowman's Pre-filed Evidence (Section
14 11), use of 2015 loads in the cost of service study does not lend such confidence.