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2 **Q. Does Mr. Bowman still believe that Hydro should not make dramatic changes to**
3 **rates before the results of the post Labrador-Island interconnection new embedded**
4 **and marginal cost studies are known as he did in his evidence dated April 25, 2014?**
5 **If not, please explain in detail the reasoning supporting Mr. Bowman's change of**
6 **position.**

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8 *A.* A specific reference is not included in the question, so Mr. Doug Bowman is unable to
9 determine the context of this statement. A search for the word dramatic turned up only
10 one reference, and it was used to describe the change in customer satisfaction (page 39,
11 line 4). However, in an effort to be responsive to the question, Mr. Doug Bowman
12 believes that rates should reflect the costs that customers impose on the system. He
13 believes there should be dramatic changes in rates only if there is sufficient justification.
14 If required rate increases are large as they would be for Labrador Interconnected
15 Customers if the Board continues with the current rural deficit allocation methodology, a
16 phased approach should be taken.