

1 Q. Would InterGroup Consultants support the recommendation by the Consumer
2 Advocate's witness, C. Douglas Bowman, that 3 years between GRAs should
3 be the target in this province?

4 A. Given the range of regulatory issues that have been addressed in this province in
5 the last decade (including many as their own specific proceedings, such as
6 depreciation), more frequent GRAs for NLH than has filed in the past would likely
7 be beneficial. Further, 3 years may be considered a reasonable horizon for NLH
8 GRAs given past history. Such pressure for more frequent GRAs is particularly
9 relevant when the most recent GRA only occurred as a result of government
10 direction (which direction had already been avoided by Hydro for a numbers of
11 years).

12 However, InterGroup would not support adopting a strict blanket approach to
13 setting a specific target of three years between GRAs. The ideal timing for GRA
14 filings should depend on many circumstances, some of which may not be within
15 control of Hydro. For example, emergencies, such as the recent outages, justifiably
16 will require Hydro's focus over a rate application. Conversely, large changes to the
17 system (e.g. Labrador infeed) require changes to rate design which may cause an
18 application to be filed sooner than three years.

19 For these reasons, while more frequent rate applications than the current practice
20 would help reduce rate shock and uncertainty, fixing a specific target such as three
21 years, is not viewed as practical.