

1 Q. **Reference: Finance**

2 Hydro is proposing the Board approve rates to become effective in 2014 based  
3 upon a 2013 test year.

4 For each item on Finance Schedule III, provide in tabular form all adjustments to the  
5 2013 test year (i.e., referred to as Proposed 2013 in Schedule III) made to ensure  
6 the rates established for 2014 will reasonably reflect the cost to provide service in  
7 2014.

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10 A. Hydro did not specifically make adjustments to the 2013 test year to ensure that  
11 the rates established for 2014 reflect the costs to provide service in 2014.

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13 The 2013 Test Year did include the use of the 8.80% forecast return on equity in  
14 determining the 2013 Test Year revenue requirement (i.e., in accordance with the  
15 Government directive on return on equity).