

1 Q. Further to response to Request for Information NP-NLH-044:
2 Using the 2014 hydraulic production forecast reduces Holyrood 2013 Test Year
3 production cost by approximately \$7.5 million. Does Hydro believe it would be
4 reasonable to adjust the 2013 Test Year forecast and use the 2014 hydraulic
5 production forecast to better reflect the cost of providing service for the period that
6 customer rates will be in effect? If not, why not?

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9 A. The Government direction provided with respect to this Application was for rates to
10 be based on the forecast 2013 costs of provision of service (2013 Test Year).
11 Therefore it would be inappropriate to adjust the 2013 Test Year to reflect 2014
12 forecast production and costs.