

1 Q. Does Hydro believe that OC2013-089 prevents the Board from making adjustments
2 to the 2013 Test Year to allow the rates established for 2014 to reasonably reflect
3 the cost to provide service in 2014? Please provide an explanation for the
4 response.

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7 A. The Board generally has broad discretion to set rates in accordance with generally
8 accepted sound public utility principles. In the present case, OC2013-089 (see PUB-
9 NLH-051 Attachment 15, page 2 of 2) specifically directs that the GRA be based
10 upon a 2013 Test Year. Hydro submits that making “adjustments” to that test year
11 to approximate or reflect the costs of a different test year, i.e. 2014, would be
12 contrary to the spirit and intent of the directive.