

1 Q. Further to the November 10, 2014 Letter to the Board:

2 *“On June 6, 2014, Hydro notified the Board and the Parties that it would be filing an*
3 *amended GRA in the fall of 2014 based on updated financial information.”*

4 Please describe in detail Nalcor’s/Hydro’s management decision making process
5 that resulted in the decision not to proceed with the July 2014 hearing and instead
6 to file an amended GRA in the fall of 2014. In the response, please indicate the
7 members of management who participated in the decision-making process.

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10 A. Hydro filed its GRA in July 2013. Due to the delays experienced in the GRA process,
11 Hydro updated its financial forecast in Q2 2014 and based on that information,
12 revisions to the GRA filing were deemed to be necessary to update the financial
13 information in order to provide a more current and relevant basis for rate setting
14 purposes. Obtaining an order based upon the 2013 Test Year filing would likely have
15 required Hydro to file another GRA in a very short timeframe that would not
16 facilitate regulatory efficiency. A meeting was held with General Manager Finance,
17 VP Finance/CFO and VP Hydro where the revised forecast was discussed and
18 recommendation to file an amended GRA with a 2014/2015 Test Year was
19 presented and agreed upon by those in the meeting. A subsequent meeting was
20 then held with the same people and the information was presented to the
21 President and CEO for approval. The decision to amend the GRA was approved at
22 that meeting and then a letter was prepared to notify the Board.