

1     Q.     In the response to Request for Information NP-NLH-357, Hydro states:  
2             *“Rates charged to customers in 2014, and now potentially 2015, will not accurately*  
3             *reflect the costs associated with the service provided in that period. This places an*  
4             *increased burden on future customers to fund recovery of costs incurred in previous*  
5             *years estimated at \$113.7 million”.*

6             Given that it is unlikely that final rates will be in place in 2015, please comment on  
7             the degree to which Hydro considered the gap between costs and customer rates in  
8             its 2<sup>nd</sup> quarter 2014 decision-making to amend its GRA.

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11     A.     Please refer to the "Background" section on pages 1.1R and 1.2R of Hydro's  
12             Amended Application.