

1 Q. [Pre-filed Evidence of Mel Dean, April 25, 2014 ("Mel Dean Evidence"), page 9, lines
2 23-24]

3 Mr. Dean states:

4 *"Hydro's response to IC-NLH-140 is a fair and equitable way to "normalize" the*
5 *allocation of demand expenses."*

6 Does Mr. Dean agree that other test year components should be adjusted if they are
7 found to be abnormal?

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10 A. Yes, I agree that other abnormal test year components should be normalized if an
11 unusual event or unstable condition is in the test year cost of service study and
12 would result in a material under or over earnings for the utility or an unequitable
13 allocation of costs between customer classes. Three orders-in-council (OC2013-089,
14 OC2013-090, and OC2013-091) directed the use of 2013 as the test year for the
15 2013 general rate application. So adjustments should be restricted to those
16 components that are abnormal in 2013 only. Adjustments should not be made due to
17 items that are forecast to occur in 2014, 2015 or 2016.