

1    Q.    **2013 General Rate Application, Rates**

2            What are the advantages and disadvantages, in Hydro's opinion, if rates are set by  
3            the Board for a defined period to ensure that costs, deferral accounts, rate design  
4            and other matters are reviewed at appropriate intervals?

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7    A.    Frequent rate referrals have the advantage of ensuring that costs, deferral  
8            accounts, rate design and other matters are reviewed at appropriate intervals.  
9            Further, there is an increased complexity and scope of GRAs if there is an extended  
10           period of time between referrals. There is a trade-off for customers however, in  
11           that frequent GRAs generally result in more frequent rate changes and higher  
12           overall regulatory costs, which are also passed on to customers. Hydro believes  
13           that a three-year period between GRAs may generally be appropriate as outlined in  
14           response to PUB-NLH-075. Please also refer to the response to CA-NLH-002.