

1 Q. **2013 General Rate Application, Deferral and Recovery Mechanisms**

2 Does Hydro believe that cost deferral and recovery mechanisms should be
3 considered in establishing a fair return for a regulated utility?

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6 A. Cost deferral and recovery mechanisms generally affect the business risk of a
7 regulated utility and thus are a consideration in establishing a fair return. Please
8 refer also to Hydro's response to PUB-NLH-098.