

1 Q. Further to the responses to PUB-NLH-052 and NP-NLH-027 does Hydro intend to file  
2 a revised 2013 Test Year Revenue Requirement to reflect the updated financial  
3 forecast for 2013? If yes, when will it be filed? If no, why not?  
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6 A. As stated in the response to IR-PUB-NLH-009,  
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8 *Subsequent to its depreciation proceeding in December 2012, Hydro began*  
9 *expensing removal costs of its assets and based on information to date*  
10 *these amounts are significant. Hydro is planning on assessing this matter*  
11 *early in 2014 based on actual 2013 data to determine an appropriate level*  
12 *for the 2013 Test Year which removes any exceptional items which occurred*  
13 *in 2013.*  
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15 Based on a recent assessment of the Loss on Disposal expense in January, Hydro  
16 believes that the Loss on Disposal expense category should be adjusted, based on  
17 this new information obtained, as described in response to NP-NLH-236 since it  
18 represents an anticipated material increase in the level of expense in 2013 which is  
19 expected to continue into future years.  
20

21 However, as legislation requires rates to be based upon forecast costs, Hydro does  
22 not believe that there should be an update of the 2013 Test Year to include actual  
23 costs, as actual costs may include anomalies, versus a representative test year.

24 There may, however, be items that the Board might seek an update for as part of  
25 the conclusion to the normal GRA process (for example, an updated fuel price  
26 forecast). Hydro provided an updated 2013 Test Year forecast in this proceeding but  
27 did so only for the purpose of responding to RFIs.