

1 **Q. In Section 5.0 “Test Year” of his report, Mr. Brockman’s review of Hydro’s 2013**  
2 **test year identifies a mix of actual and forecasted results/data and, as such, there are**  
3 **several items that should be considered for adjustment by the Board. Would you**  
4 **agree that due to such a mixture of historic and forecasted data as well as with some**  
5 **uncertainty, an alternative for achieving just and reasonable rates could be to have**  
6 **more regular periodic GRA filings? Please explain your response.**  
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8 **A.** In Mr. Brockman’s opinion, the problems associated with the use of a mix of forecast and  
9 actual data in Hydro’s proposed 2013 test year can, and should, be addressed by making  
10 appropriate adjustments to normalize the test year.  
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12 The time between rate cases is, in Mr. Brockman’s opinion, a separate issue.  
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14 A lengthy period of time between rate cases increases the likelihood of a number of other  
15 problems. As time passes, the balance between the utility’s rates and its costs of  
16 providing service will change. The longer the time between rate cases, the greater the  
17 likelihood a mismatch between utility costs and customer rates will develop. In addition,  
18 if there are long periods between rate cases, there can be undue reliance on adjustment  
19 mechanisms to maintain an appropriate balance between rates and costs. These factors  
20 appear to have helped contribute to the existing mismatch between Hydro’s costs and its  
21 rates.  
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23 While Mr. Brockman believes that more regular periodic GRA filings would be  
24 appropriate for Hydro, he does not believe more regular filings would eliminate the need  
25 to make appropriate adjustments to the 2013 test year to ensure that rates established by  
26 the Board are just and reasonable.