Q. **Reference: Finance**

Hydro is proposing the Board approve rates to become effective in 2014 based upon a 2013 test year.

For each item on Finance Schedule III, provide in tabular form all adjustments to the 2013 test year (i.e., referred to as Proposed 2013 in Schedule III) made to ensure the rates established for 2014 will reasonably reflect the cost to provide service in 2014.

A. Hydro did not specifically make adjustments to the 2013 test year to ensure that the rates established for 2014 reflect the costs to provide service in 2014.

The 2013 Test Year did include the use of the 8.80% forecast return on equity in determining the 2013 Test Year revenue requirement (i.e., in accordance with the Government directive on return on equity).