

1 Q. (Re: 2015 Interim Rates Application Evidence) If during the review of the Amended
2 2013 GRA the Board decides that there are costs that are not to be passed through
3 to consumers, how does Hydro propose that consumers receive cost/rate
4 reductions if the Board has approved the interim rates as proposed in the 2015
5 Interim Rates Application?
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8 A. Once the GRA has been completed and the Board has determined if costs are to be
9 removed from revenue requirement, Hydro proposes a two step process for the
10 finalization of customer rates for 2015:

11 (i) New rates would be implemented on a prospective basis to reflect the
12 final 2015 revenue requirement adjusted to remove any costs that are
13 not to be passed through to customers. This approach would ensure
14 prospective rates reflect Board approved 2015 Test Year costs.

15 (ii) The 2015 forecast net income deficiency resulting from delayed
16 implementation would be recalculated using the 2015 final rates for
17 the period of delayed implementation.
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19 In establishing final rates, the Board would also need to consider the approach to
20 recovering the 2015 net income deficiency. This could be achieved through the
21 implementation of a rate rider calculated separately from base rates or by
22 increasing base rates to reflect an amortization of the amount to be recovered.