

1 Q. Please provide an estimate of the interim rates that would be imposed on each
2 customer class in the event that the Public Utilities Board ordered that only
3 shortfalls related to fuel price be included in interim rates as of January 1, 2014.

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6 A. On November 18, 2013, Hydro applied for interim rates effective January 1, 2014.
7 In its evidence, page 10, Hydro states as follows:

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9 "Hydro is currently forecasting its 2014 RORB to be below the lower end of its
10 approved range of return on rate base and interim rates approval will provide
11 Hydro the opportunity to earn a return on rate base that is closer to that which
12 results from the Government directed ROE for the 2013 Test Year."

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14 If the sole adjustment to rates on January 1, 2014 is the shortfall related to fuel, as
15 proposed, Hydro will not be provided the opportunity to earn its requested rate of
16 return which negates the purpose of the Interim Rates Application. If the interim
17 rates implementation is limited to reflecting just the fuel price, this will be achieved
18 through normal RSP adjustments.