

1 Q. Please explain what weight, if any, the Board should give to the timing of Hydro's
2 filing of responses to Requests for Information in its 2013 General Rate Application
3 in its consideration of Hydro's request for interim rates.

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6 A. On July 30, 2013, Hydro filed its General Rate Application along with a separate
7 filing related to the Rate Stabilization Plan and rates to be charged to Industrial
8 customers. Subsequently, Hydro has responded to more than 1,000 RFIs related to
9 its GRA and is continuing to respond in as timely and comprehensive manner as it
10 can.

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12 Hydro has responded to 93 RFIs related to its RSP and IC rates filing. As a result of
13 the RSP and IC rates filing, which has proceeded in parallel with the GRA, there have
14 been three Board Orders issued including the beginning of the phase-in of IC rates,
15 as directed by Government and the approval of revised RSP rules necessary to enact
16 the IC rate phase-in. Hydro has filed its Interim Rate Application, in part, to ensure
17 that the IC rate implementation and phase-in continues smoothly and along the
18 lines contemplated in Government directives. Hydro has also requested interim
19 rates effective January 1, 2014 in order to have the opportunity to earn a return on
20 rate base that is closer to that which results from the Government directed ROE for
21 the 2013 Test Year.

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23 On October 31, 2013, Hydro filed its NP RSP Surplus Refund Plan Application which
24 recommends a refund to customers in April, 2014. NP has indicated that proper
25 interrogation of the matters in this issue will require two rounds of Requests for
26 Information. If the Board determines that two rounds of RFIs are necessary, Hydro
27 continues to be prepared to respond in as timely and comprehensive a manner as it

1 can. Hydro also advocates that NP RSP Surplus Refund Plan proceed in a parallel
2 process. In a letter to the Board dated November 21, 2013, Hydro recommended
3 that the matter of the NP RSP Surplus be dealt with and disposed of in advance of
4 the main GRA. Handling the matter expeditiously will result in getting the NP RSP
5 Surplus refund to customers faster, including to all customers of NP.

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7 Hydro has responded to the RSP and IC rates filing RFIs and will continue to respond
8 in an expeditious manner to the substantial number of RFIs in respect of the GRA,
9 the present Interim Rate Application and those yet to come related to the NP RSP
10 Surplus. Hydro has and will continue to be guided by the objectives of:

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12 (i) facilitating the smooth implementation of IC rates;
13 (ii) passing along rate decreases and the NP RSP Surplus refund to the vast
14 majority of customers, including all the customers of NP; and
15 (iii) creating an opportunity to earn a return on rate base that is closer to that
16 which results from the Government directed ROE for the 2013 Test Year.