

1 Q. In response to Request for Information IR-PUB-NLH-3 Hydro states "The vast
2 majority of those customers will receive a rate decreases flowing from this interim
3 rates application; meanwhile approving the application will provide Hydro with the
4 opportunity to achieve a rate of return in 2014 approaching that directed by
5 Government."

6 Please confirm that if the Interim Rate Application is approved:

- 7 (i) the projected 2014 Hydro revenue shortfall is recovered through an increase
8 in Hydro's 2014 revenues by amounts currently recovered through the RSP
9 fuel rider currently reflected in customer rates; and
- 10 (ii) because the amounts currently recovered through the RSP fuel rider
11 reflected in customer rates are in excess of Hydro's estimated additional
12 2013 Test Year revenue requirement in the General Rate Application for
13 Newfoundland Power, the Interim Rate Application results in interim rate
14 reductions.

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16 A. Hydro's revenue shortfall is comprised of amounts that are not related to the
17 amounts currently recovered in the fuel rider, which is a separately
18 determined rate. Hydro confirms that the amounts currently recovered through
19 the RSP fuel rider reflected in customer rates are in excess of Hydro's estimated
20 additional 2013 Test Year revenue requirement in the General Rate Application for
21 Newfoundland Power, and thus the Interim Rate Application results in net interim
22 rate reductions.