

1    Q.    Assume, once final rates are approved by the Board, the amounts collected during  
2    interim rates through Newfoundland Power's Fuel Price Projection rider of 1.634¢  
3    per kWh exceeds the 2014 revenue shortfall attributable to Newfoundland Power.  
4    Under this scenario, would the amounts collected in excess of the revenue shortfall  
5    attributable to Newfoundland Power be credited to the Newfoundland Power RSP?  
6    If yes, will Hydro modify its proposal to provide for this matching of revenues and  
7    costs? If no, why not?

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10   A.    Hydro has proposed a deferral and recovery mechanism which would accumulate  
11   the differences between existing and approved rates for NP, Labrador  
12   Interconnected Customers and Government Departments in isolated systems.  
13   Hydro is proposing that there would be a three-year amortization period of the  
14   deferred amounts. If, as suggested above, final rates are approved by the Board,  
15   and the amount of the Fuel Price Projection rider collected during the interim  
16   period from January 1, 2014 to the date of final rate implementation exceeds the  
17   2014 revenue shortfall attributable to Newfoundland Power, Hydro would not be  
18   adverse to an alternative solution if there are benefits which outweigh any  
19   disadvantages. Hydro suggests that this matter be discussed during settlement  
20   negotiations which are planned as part of the GRA process.