

1 Q. Does Hydro expect that there will be further changes to the General Rate
2 Application proposals to reflect changes in forecast or actual costs in 2013 or 2014,
3 such as labor costs, insurance costs and fuel costs. (see PUB-NLH-025; PUB-NLH-
4 041; and PUB-NLH-023)

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7 A. Hydro believes that the 2013 Test Year Revenue Requirement should be based on
8 forecast costs. In the past, if there has been a significant difference in fuel price
9 forecasts over the course of the GRA, there has been an update for this factor prior
10 to the finalization of rates. Hydro is giving consideration to requesting the Board
11 approve an increase in the amount of loss on disposal of its assets. Subsequent to
12 its depreciation proceeding in December 2012, Hydro began expensing removal
13 costs of its assets and based on information to date these amounts are significant.
14 Hydro is planning on assessing this matter early in 2014 based on actual 2013 data
15 to determine an appropriate level for the 2013 Test Year which removes any
16 exceptional items which occurred in 2013.