

1 Q. (pages 3 to 4 of Second Interim Rates Application Evidence) The evidence highlights
2 a number of costs that are not reflected in the GRA, including CBPP purchases, gas
3 turbine and diesel fuel costs, consulting and legal costs relating to the Outage
4 Inquiry, the cost of Holyrood black start facilities, and costs to implement the
5 recommendations of Liberty Consulting and the Board relating to the Outage
6 Inquiry. What is the estimated impact of these costs on rates and given that they
7 are not being recovered in the GRA or the Second Interim Rates Application, how
8 does Hydro intend to recover these costs? For example, is Hydro planning to update
9 its GRA submission?

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12 A. As stated in Hydro's Second Interim Rates Application, there were approximately
13 \$10 million in additional supply costs incurred by Hydro in the first quarter of 2014.
14 Hydro is currently compiling a cost estimate for the other additional costs not
15 reflected in the GRA, including consulting and legal costs relating to the Outage
16 Inquiry, the cost of Holyrood blackstart facilities, and costs to implement the
17 recommendations of Liberty Consulting and the Board relating to the Outage
18 Inquiry.

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20 Hydro will be filing a separate application with respect to the recovery of the one-
21 time incremental costs for 2014. Hydro will include the amortization of these costs
22 as part of its 2015 revenue requirement to be filed in its amended application.
23 Increased operating and maintenance costs will be reflected in the forecast test
24 year costs for 2014 and 2015.