

1 Q. (page 5 of Second Interim Rates Application Evidence) The evidence states (page 5,
2 lines 6 to 8) *"The Board has the option to wait until the conclusion of the GRA to*
3 *determine the exact amount of the 2014 net income shortfall and approve a*
4 *recovery approach at that time. Hydro does not believe this is a reasonable*
5 *approach".* Further, the evidence states (page 5, lines 10 to 14) *"From Hydro's*
6 *perspective, dealing with the forecast net income shortfall in advance of completion*
7 *of the GRA process will enable Hydro to forecast reasonable cost recovery in 2014*
8 *and provide more certainty to lenders and other stakeholders that it will have an*
9 *opportunity to earn a reasonable return in 2014".* Please provide further details and
10 examples of how an interim rates order will enable Hydro to forecast a reasonable
11 cost recovery in 2014 and provide more certainty to lenders relative to waiting for a
12 Board order approving final rates later in 2014. For example, how would an interim
13 rates order approved by the Board in July 2014 provide more certainty to lenders
14 when final rates approved by a Board Order on the 2013 GRA in November 2014
15 could be quite different?

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18 A. Please see Hydro's response to SIR-CA-NLH-005.