

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.