

1 Q. At page 1 of the Second Interim Rates Application Evidence (the “Evidence”), Hydro
2 states that “...with the number of applications currently before the Board and the
3 ongoing hearing on the reliability of electricity supply, it is possible that final rates
4 may not be approved until 2015.”

5 At page 5 of the Evidence, Hydro states it does not believe the approach of having
6 the Board approve recovery of 2014 net income shortfall only at the conclusion of
7 the GRA is reasonable. It is Hydro’s evidence that “the current forecast of a net
8 income loss in 2014 (based on existing rates) combined with the uncertainty of
9 whether a final rate order will be issued prior to year-end creates uncertainty of
10 Hydro’s opportunity to earn a reasonable return in 2014.”

11 Absent Hydro’s concern that a final rate order on Hydro’s GRA may not be issued
12 prior to the end of 2014, would Hydro consider the approach of having the Board
13 approve recovery of 2014 net income shortfall at the conclusion of the GRA to be
14 reasonable? Please fully explain your answer.

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17 A. Please see Hydro's response to SIR-CA-NLH-004.