

1     Q.     At page 11 of the Evidence, Hydro states that “addressing Hydro’s 2014 forecast net  
2           income shortfall prior to conclusion of the GRA will enable Hydro to forecast  
3           reasonable cost recovery in 2014 and provide more certainty to lenders and other  
4           stakeholders that it will have an opportunity to earn a reasonable return in 2014”.  
5           If the Board were to deny Hydro the interim relief proposed in the Application, and  
6           indicate in its order that it would approve deferred recovery of a 2014 revenue  
7           shortfall only following proof thereof in the GRA, what impact would this have on  
8           the costs of Hydro that are to be borne by its ratepayers? Please provide details of  
9           all forecast impacts based on this scenario.

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12     A.     Hydro is not aware of any direct costs that would be borne by ratepayers in the  
13           near-term. However, the impact of the 2014 results on Hydro’s creditworthiness  
14           needs to be considered over the longer-term. For discussion of this matter, please  
15           see Hydro's response to SIR-CA-NLH-001.