

SIR-PUB-NLH-004
NLH 2013 Second Interim Rates Application

Page 1 of 1

1 Q. In evaluating a just and reasonable return on rate base for 2014, from an accounting
2 perspective how will the approval of the transfer of funds from the Rate Stabilization
3 Plan, on an interim basis, give assurance to users of the 2014 financial statements that
4 recognition of revenue appropriately reflects the revenue that should be recognized by
5 Hydro?

6
7

8 A. In evaluating a just and reasonable return on rate base for 2014, from an
9 accounting perspective, the approval of the transfer of funds from the Rate
10 Stabilization Plan or the approval of a cost deferral would give assurance to users of
11 the 2014 financial statements that the recognition of revenue appropriately reflects
12 the best estimate of revenue. In the event that the Board ruled that a portion or all
13 of the interim rates be returned, the change in estimate would be reflected
14 prospectively.