

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?

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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.