

1     Q.     Please explain why Hydro is not proposing that the revenue shortfall be set aside in  
2             a deferral account with recovery to be determined later.

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5     A.     Board approval to set aside the shortfall in a deferral account with recovery to be  
6             determined later is also a reasonable alternative to enable Hydro to forecast, and  
7             subsequently achieve, improved financial results for 2014. In its Application, Hydro  
8             proposed that the Board approve use of an existing deferral account balance rather  
9             than creating a new deferral account.