

1     Q.     Please advise how Hydro intends to deal with the proposed 2014 rate increase for  
2           the Labrador Interconnected customers upon a final general rate application order,  
3           explaining how the amount included in the \$29.4 million in relation to the Labrador  
4           Interconnected customers will be addressed.

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7     A.     In its amended application, Hydro will be requesting the Board approve as final the  
8           2014 rates in effect for customers on Hydro's Labrador Interconnected System  
9           upon conclusion of the GRA.

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11           Hydro's amended application will include a 2015 cost of service study, which will  
12           allocate the 2014 net income shortfall amortization (over three years) by class on a  
13           revenue requirement basis. The actual net income shortfall for 2014 will be  
14           determined based upon the Board testing Hydro's 2014 test year revenue  
15           requirement following the submission of the amended application in the fall of  
16           2014.

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18           Hydro will propose the recovery of the actual 2014 net income shortfall attributable  
19           to Labrador Interconnected through a three year amortization.