

SIR-V-NLH-022  
**NLH 2013 Second Interim Rates Application**

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1    Q.    Reference: June 19 presentation entitled Settlement Discussions - Second Interim  
2    Rate Application, slide 9  
3    Hydro has stated that, along with a general rate application based on a 2015 test  
4    year, Hydro will file a 2014 test year with the Board and seek to recover any  
5    shortfall in revenues necessary for Hydro to earn what it deems a fair rate of return  
6    in 2014. Will Hydro seek to recover any portion of its shortfall from individual  
7    customers as opposed to from customer groups?

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10   A.    The allocation of the net income shortfall will be by system and then by customer  
11   class. Options available to the Board in approving the recovery of the net income  
12   shortfall include an amortization to be recovered through customer rates or  
13   through the use of RSP balances due to customers.