Q. **At page ES-6 of the report, Liberty states that "Hydro carries a $45.9 million deferred asset that reflects the difference between a calculation of 2014 revenue requirements and those used most recently to establish rates for electricity service. Hydro made its revenue deficiency calculation using five months of actual and seven months of estimated 2014 costs. Using actual costs, Liberty..... identified $13.4 million in actual 2014 operating costs as avoidable but for the 2014 outages."**

Please confirm the following:

a) the $13.4 million Liberty identified was based on twelve months of actuals; and

b) the $13.4 million Liberty identified includes costs that are not included in the $45.9 million Revenue Deficiency Application and for which Hydro has not requested recovery.

A. Liberty responds to the question's two parts as follows:

a) Liberty confirms that the $13.4 million identified was based on actual 2014 operating costs avoidable but for the 2014 outages.

b) Liberty has not compared the $13.4 million identified to the costs included in Hydro's $45.9 million Revenue Deficiency and cannot confirm any such statement.