

1 **Q. Page 3 of NP's Application indicates that the company is seeking to set rates in 2013**
2 **and 2014 that will recover the forecast revenue requirement in 2013 and 2014. This**
3 **application therefore proposes to adopt a two-year test period for this application.**

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5 **Please confirm that the company is seeking to set rates for a two-year period with**
6 **rates being sufficient to recover the forecast two-year revenue requirement.**

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8 A. It is *not* confirmed.

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10 Newfoundland Power has proposed a two-year test period, 2013 and 2014. The
11 Company has not proposed a specific time period for the proposed rates to remain in
12 effect.

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14 The proposed rates, if implemented on March 1, 2013, will provide Newfoundland Power
15 the opportunity to recover its 2013 forecast revenue requirement in 2013 and its 2014
16 forecast revenue requirement in 2014.¹

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18 The approach adopted by Newfoundland Power in this Application is the same as that
19 adopted for 2003/2004 which resulted in the Board's establishment of base rates for the
20 Company which remained in effect until January 1, 2008.

¹ The forecast revenue requirement for each year reflects a proposed regulatory amortization to recover, over the period March 2013 to December 2015, a \$980,000 revenue shortfall for 2013 due to the timing of the March 1st rate change implementation date. See *Volume 1, Application and Company Evidence, Section 3.5.4 2013 Revenue Shortfall*, page 3-55 *et seq.*, and *Section 4.3 2013 and 2014 Revenue Requirements*, page 4-5, Table 4-5.