

1 Q. Reference: Schedule 1, Appendix G, page 64 and Appendix H, page 71

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3 **Preamble:** *“(26) that the MF-HV Capital Project will be:*

4 *a) excluded in Hydro’s rate base in the 2018 Test Year and excluded in the*  
5 *calculation of depreciation expense for the 2018 Test Year;*

6 *b) included in Hydro’s closing rate base for the 2019 Test Year, if the project*  
7 *approved by the Board, prior to Hydro’s 2017 GRA Compliance filing, for*  
8 *construction to be completed by the end of 2019;*

9 *c) Excluded for the calculation of depreciation for the 2019 test Year.”*

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11 Please indicate the amount included in the Revenue Deficiency of 240,111 \$ that  
12 results from the inclusion of the MF-HV Capital Project in the closing rate base for  
13 the 2019 Test Year pending the project approval?

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16 A. The \$240,111 referenced from Appendix G, Page 8 of 8 represents the 2019 billing  
17 collections associated with a gross revenue deficiency of approximately \$480,000.<sup>1</sup>  
18 Approximately 75 percent of the gross revenue deficiency pertains to the revenue  
19 requirement associated with the MF-HV Capital Project.

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<sup>1</sup> \$480,000 reflects a revenue deficiency from 2018 and the first six months of 2019. Industrial customer revenue deficiency is assumed to be collected over 24 months, consistent with the August 24, 2018 Settlement Agreement.