

1 Q. Reference: Exhibit 2, Table 8, page 12 and Exhibit 2, Appendix A,
2 page A-1:

3

4 Hydro shows the amount of the 2014 Cost Deferral to be included in 2014 average
5 rate base is \$22,116,000. Please explain why this amount is not adjusted
6 downward for the prudence disallowances ordered by the Board of \$6,119,000 for
7 the 2014 test year.

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10 A. The 2014 Cost Deferral was adjusted downwards for the prudence disallowances of
11 \$6,119,000 as ordered by the Board in Order No. P.U. 13(2016). Please see NP-NLH-
12 004, Attachment 1.

2014 Cost Deferral

	2014 Test year					2015 Rev Def.	2016 Rev Def.	Rate Setting
	Original 2014 Test Year	P.U. 49 (2016) Adjustment	Fuel Deferral Reclass	Total Before Prudence	Prudence Adjustment	Compliance Total	Compliance Total	Compliance Total
Opening	-	-	-	-	-	38.1	38.1	38.1
Addition/Adjustment	45.9	(10.2)	8.5	44.2	(6.1)	-	-	-
Paid out of RSP	(45.9)	45.9	-	-	-	-	-	(38.1)
Closing	-	35.7	8.5	44.2	(6.1)	38.1	38.1	-
Average	-	17.9	4.3	22.1	(3.1)	38.1	38.1	19.1

Fuel Supply Deferral

	2014 Test year					
	Original 2014 Test Year	P.U. 49 (2016) Adjustment	Prudence	Total Before Reclass	Fuel Deferral Reclass	Compliance Total
Opening	-	-	-	-	-	-
Addition/Adjustment	9.9	-	(1.4)	8.5	(8.5)	-
Paid out of RSP	-	-	-	-	-	-
Closing	9.9	-	(1.4)	8.5	(8.5)	-
Average	5.0	-	(0.7)	4.3	(4.3)	-