

1 Q. (RE: Table 3.9) Hydro includes in the deferred charges 3 items; Foreign Exchange,  
2 CDM and General Rate Application. Hydro has previously or is applying currently for  
3 other deferral accounts; Rate Stabilization, Isolated systems diesel and power  
4 purchase costs. Hydro has excluded these deferral accounts from inclusion in rate  
5 base. Can Hydro comment on why it has chosen to do so?

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8 A. The Rate Stabilization Plan is excluded from rate base as it is self-financed using  
9 Hydro's approved Test Year weighted cost of capital, calculated monthly and  
10 included in the plan balance. It is anticipated that balances related to the deferral of  
11 Isolated Systems diesel and power purchase costs will not have such financing  
12 charges built in, and therefore in future, these deferral accounts will be included.  
13 There were no variances from Test Year in the 2013 forecast, and as a result, no  
14 balances are included in Table 3.9 of Hydro's evidence.