

1 Q. **Reference: 2013 Amended GRA, Application, page 12, section 44(23)(a)**

2 This clause appears to be in conflict with the 2015 interim rate application. Please
3 clarify Hydro's current position.

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6 A. Proposal 23(a) to the Amended Application states:

7 *"that the RSP credit balance be used, where appropriate, to offset the 2014 Revenue
8 Deficiency attributable to the Island Interconnected System"*

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10 This proposal requests the Board approve the use of the 2014 year-end balance in
11 the RSP Hydraulic Variation Account to provide recovery of the 2014 Revenue
12 Deficiency, which was approved for deferral in Order No. 58(2014).

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14 Page 18 of Hydro's Evidence provided in the 2015 Interim Rates Application stated:
15 *"Recovery of the 2014 and 2015 net income shortfall is not reflected in the rates
16 proposed in the 2015 Interim Rates Application. In the Amended Application, Hydro
17 proposed the credit balance in the RSP Hydraulic Variation Account be used to
18 provide recovery of the 2014 Revenue Deficiency. Hydro still considers this proposal
19 to be appropriate."*

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21 Therefore, Hydro submits that proposal 23(a) per the Amended Application is
22 consistent with its 2015 Interim Rates Application.