

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

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

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

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15 Page 18 of Hydro's Evidence provided in the 2015 Interim Rates Application stated:

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

21

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