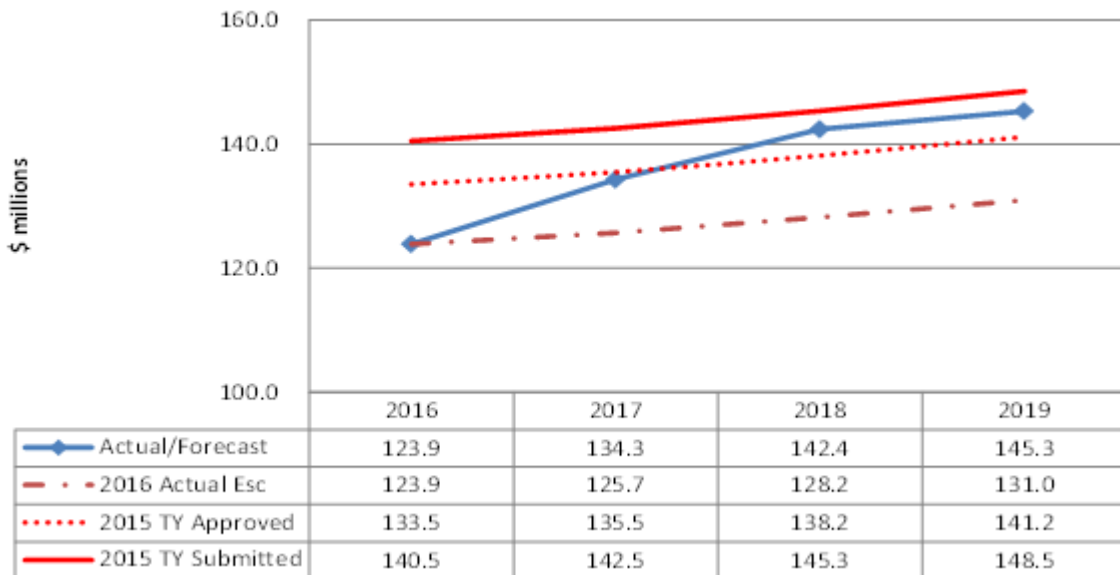


1 Q. **Volume 1 (1<sup>st</sup> Revision), Chapter 3: Operations**

2 In a figure similar to Figure 3-2, please graph (i) Hydro’s operating costs from 2016  
 3 actual to 2019 test year and (ii) Hydro’s operating costs from 2016 actual to 2019  
 4 pro forma, assuming only inflationary increases for the 2017 to 2019 pro forma  
 5 period. (Volume I (1st Revision), Chapter 3: Operations, Page 3.35, Figure 3-2)

6  
 7  
 8 A. Figure 1 shows (i) Hydro’s operating costs from 2016 actual to 2019 Test Year and  
 9 (ii) Hydro’s operating costs from 2016 actual to 2019 pro forma, assuming only  
 10 inflationary increases for the 2017 to 2019 pro forma period. Escalating costs from  
 11 2016 actual and comparing costs to 2016 actual inaccurately portrays the operating  
 12 costs of Hydro going forward. Graph 1 also displays the 2015 test year as submitted  
 13 and approved escalated to show a more realistic forecast of costs.



**Figure 1 Hydro Operating Costs**