

1 Q. **Volume 1 (1st Revision), Chapter 5: Rates and Regulations**

2 Will there be a shortfall in revenue requirement associated with interim rates for
3 Labrador Interconnected customers? If so, how is Hydro proposing to recover this
4 shortfall? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20,
5 Lines 4-6)

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8 A. Yes, there will be a shortfall in revenue requirement associated with interim rates
9 for Hydro Rural Labrador Interconnected customers. The proposed interim rates
10 provides recovery of approximately 70% of the additional Test Year revenue
11 requirement for 2018 with the remainder of the 2018 revenue deficiency reflected
12 in the proposed final rates to become effective January 1, 2019 (based on a
13 recovery over a 20-month period).