

1 Q. **Overview**

2 Page 1.1, lines 3-6 – Hydro is proposing two test years for the purpose of setting
3 rates, with interim rates being proposed for 2018 with a revenue deficiency for that
4 year being recovered over a subsequent period and final rates for 2019. Explain
5 how this proposal complies with Order No. P.U. 49 (2016) which directed the filing
6 of a general rate application for rates based on a 2018 test year.

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9 A. Hydro used a 2018 Test Year in its 2017 General Rate Application (GRA) filing in
10 compliance with Order No. P.U. 49(2016). Hydro did not consider the Board’s
11 direction on the use of a 2018 Test Year as eliminating the opportunity to use both
12 2018 and 2019 Test Years for determining revenue requirements for the
13 establishment of rates.

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15 With respect to the basis for the use of multiple test years in Hydro’s 2017 GRA
16 filing, please refer to Hydro’s response to PUB-NLH-002.