

1 Q. **Overview**

2 Page 1.6, lines 2-3 – Explain the statement that rates resulting from the application
3 would not be in effect until the fourth quarter of 2018 or the beginning of 2019.

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6 A. Hydro’s estimated implementation date for final rates resulting from the 2017
7 General Rate Application (GRA) is based on the timelines and process requirements
8 that resulted from Hydro’s 2013 Amended GRA and also takes into consideration
9 the regulatory applications anticipated in 2018.

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11 The public hearing portion of Hydro’s 2017 GRA is scheduled to begin on January
12 30, 2018. The 2013 Amended GRA oral hearing spanned 86 days.¹ Using the 2013
13 Amended GRA as a baseline, a three month 2017 GRA hearing process would end in
14 late April. The 2013 Amended GRA also included both written final submissions and
15 oral submissions which resulted in an additional month on the 2013 Amended GRA
16 process. An additional month to conclude final submissions in the 2017 GRA could
17 result in the Board beginning deliberations in late May 2018.

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19 Assuming two and a half months of Board deliberations once the hearing is
20 concluded, the Board Order will be issued in mid-July 2018. Hydro will require at
21 least four weeks to file its compliance application (mid-August 2018 filing). The
22 Board’s financial consultants will require approximately three to four weeks to audit
23 the filing and complete its report for the Board (mid-September 2018 filing). The
24 Board may need two weeks to prepare and release its final rates order (end of
25 September 2018 release).

¹ September 9, 2015 to December 3, 2015.

1 Newfoundland Power will likely require two weeks to finalize its flow-through rates
2 application (mid-October 2018). The Board's financial consultants will need
3 approximately one week to review that application. Hydro will require one week to
4 submit its Hydro Rural rates application for which the Board's financial consultants
5 will require at least several working days to review (late October 2018).

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7 Based on the above timeframes, it may be possible to implement final customer
8 rates prior to January 1, 2019 (possibly November 1, 2018). However, the above
9 schedule assumes there are no contentious issues in the compliance process. After
10 review of Hydro's initial 2013 Amended GRA compliance application, the Board
11 required Hydro to refile its compliance application. The initial compliance
12 application was filed January 28, 2017; final customer rates were not implemented
13 until July 1, 2017. Therefore, a 2017 GRA Order in mid-July and the implementation
14 of final rates January 1, 2019, is possible given Hydro's recent regulatory timelines.

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16 Even if the hearing process for the 2017 GRA can be streamlined relative to the
17 2013 Amended GRA, there are several other proceedings before the Board which
18 will place pressure on the 2017 GRA schedule. Hydro also filed an application for
19 recovery of the 2015 and 2016 balances in the Isolated Systems Supply Cost
20 Variance Deferral, Energy Supply Cost Variance Deferral, and the Holyrood
21 Conversion Rate Deferral accounts on October 11, 2017. Hydro anticipates filing an
22 application for recovery of 2017 balances in these accounts and the first quarter of
23 2018, respectively. Further, the normal rate change process for RSP updates for
24 Island Industrial Customers and Newfoundland Power is required in the first half of
25 2018. Finally, Hydro has requested interim rates for 2018, and the RSP Rate
26 Mitigation credit is set to expire effective July 1, 2018; both of which will likely
27 require additional process and review. All of these issues will require the attention

1 of the Board and the intervenors in addition to the requirements of Hydro’s 2017
2 GRA.

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4 Hydro is committed to an efficient 2017 GRA process. However, Hydro recognizes
5 that the complexity of the matters presented as well as the number of intervenor
6 groups often results in a lengthy timeframe to complete the GRA process.