

1 Q. Should the column “2016 & Subsequent Years” in Appendix E - Definition of Excess
2 Earnings of the GRA Compliance Application include a note stating that the rate is
3 applicable until a new rate is approved by the Board?
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7 A. The definition of Excess Earnings already contains the information requested by the
8 above noted question. Part “C” of the formula for determining excess earnings
9 specifically states that the upper limit of return on rate base is “...defined as *Test*
10 *Year* Return on Rate Base + 20 basis points” (emphasis added). An approval of a
11 new Test Year rate of return by the Board would therefore be reflected in the
12 proposed calculation.

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14 Hydro anticipates that when a new Test Year rate of return is approved, Hydro
15 would refile the definition reflecting an updated table showing both the upper and
lower limits of the range.