

1 Q. (2017 GRA, Volume 1, page 1.5) It is stated (lines 2 to 8) *“This presents an*
2 *opportunity to reduce the use of costly Holyrood generation by using lower cost off-*
3 *island purchases in 2018, 2019, and 2020. Hydro’s 2018 and 2019 Test Year revenue*
4 *requirements, as submitted, reflect the continued use of Holyrood fuel with no*
5 *access to off-island purchases. Hydro is proposing that any costs or savings*
6 *associated with the use of the Labrador-Island Link and the Maritime Link prior to*
7 *the full commissioning of the Muskrat Falls Project be set aside in a deferral*
8 *account.”* What are the merits of following this approach versus calculating the
9 revenue requirement on the basis of Hydro’s best forecast of costs and revenues in
10 the 2019 test year, and negotiating a rate impact mitigation plan with the Parties
11 based on a fixed rate rider similar to what was done in Manitoba?

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14 A. Please refer to Hydro’s response to CA-NLH-042.