

1 Q. **Load Forecast, Generation, and Purchases**

2 Further IC-NLH-93 above, please provide details of the impact of the Exploits and
3 Star Lake “unanticipated plant outages” to the Energy Supply Cost deferral Account.

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6 A. The financial impact on the Energy Supply Cost Variance Deferral Account of
7 decreased production levels from the Exploits and Star Lake Generating Stations are
8 two-fold. First, decreased power purchase costs are credited to the account at the
9 Test Year approved purchase price (Line no. 5 of Tables 1 and 2). Second, the
10 decrease in production is priced at the 2015 Test Year cost of the No. 6 fuel
11 consumed at the Holyrood Thermal Generating Station (Line no. 7 of Tables 1 and
12 2). The financial impact on the Energy Supply Cost Variance Deferral Account of
13 decreased production levels from the Exploits and Star Lake Generating Stations is
14 the net balance of the savings achieved from not producing at those facilities and
15 the cost of producing the equivalent energy at Holyrood Thermal Generating
16 Station (Line no. 8 of Tables 1 and 2).

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18 Hydro is unable to specifically identify the kWh variance from Test Year associated
19 with the ‘unanticipated plant outages’ as requested. As such, Tables 1 and 2 show
20 the detailed calculations of the impact of all production variances in Nalcor Exploits
21 and Star Lake production compared to 2015 Test Year levels. In both 2016 and
22 2017, the additional costs from decreased production would contribute to the
23 \$500,000 cost variance threshold (deadband) to be borne by Hydro.

Table 1 2016 Impact

Line No.	Particulars	Nalcor Exploits	Star Lake	Total
1	2016 Actual Production (kWh)	495,379,594	135,727,322	
2	2015 TY Production (kWh)	<u>633,500,000</u>	<u>142,180,000</u>	
3	Variance in Production (kWh)	(138,120,406)	(6,452,678)	
4	2015 TY (\$/kWh)	<u>0.0400</u>	<u>0.0400</u>	
5	2016 Power Purchase Savings (\$)	(5,524,816)	(258,098)	(5,782,914)
6	2015 TY Average Holyrood Fuel Cost (\$/kWh)	<u>0.10422</u>	<u>0.10422</u>	
7	Holyrood TGS Fuel Costs (\$)	14,395,365	672,519	15,067,884
8	2016 Net Impact (\$)	8,870,548	414,421	9,284,970

Table 2 2017 August Year-to-Date Impact

Line No.	Particulars	Nalcor Exploits	Star Lake	Total
1	August 2017 YTD Actual Production (kWh)	378,307,618	95,095,823	
2	2015 TY Production (kWh)	<u>438,270,000</u>	<u>96,770,000</u>	
3	Variance in Production (kWh)	(59,962,382)	(1,674,177)	
4	2015 TY (\$/kWh)	<u>0.0400</u>	<u>0.0400</u>	
5	2016 Power Purchase Savings (\$)	(2,398,495)	(66,965)	(2,465,460)
6	2015 TY Average Holyrood Fuel Cost (\$/kWh)	<u>0.10422</u>	<u>0.10422</u>	
7	Holyrood TGS Fuel Costs (\$)	6,249,477	174,488	6,423,966
8	August 2017 YTD Net Impact (\$)	3,850,982	107,524	3,958,506