

1 Q. With reference to the Summary Report, page 9, lines 14-18, Hydro indicates that it
2 proposes to modify the Holyrood capacity factor for COS purposes, from the use of
3 a 5 year average, to the use of the test year forecast. Please provide a detailed
4 rationale as to why a test year forecast would be used rather than the 5 year
5 average?

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8 A. Hydro believes it is reasonable to reflect different capacity factors for Holyrood in
9 the Revised Deferral Account Scenario and the Expected Supply Scenario to reflect
10 the basis for each scenario.

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12 The Additional Cost of Service Information was provided in compliance with the
13 Board's direction to provide a cost of service based on the Expected Supply
14 Scenario. Under the Expected Supply Scenario, Hydro has proposed to modify the
15 Test Year Holyrood capacity factor from the approved 5-year average to reflect the
16 fact that the operating characteristics for the previous 5 years no longer reflects the
17 expected operating mode of Holyrood for the second half of 2018 and for all of
18 2019.

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20 The reduced capacity factors presented under the Expected Supply Scenario
21 indicate that Holyrood is forecast to provide less energy to the system than it has in
22 the past, as the Maritime Link and the Labrador-Island Link will be used for off-
23 island purchases.

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25 Hydro did not deviate from the approved 5-year average capacity factor in its
26 proposed Deferral Account Scenario to reflect a Test Year scenario which excludes
27 the impact of transitioning to the Labrador-Island Interconnection.