

1 Q. **Off Island Purchases**

2 Page 6.4, lines 18-24 – Explain why it is necessary to establish the proposed deferral
3 account for one month in 2017. In the response provide the estimated purchases
4 for that month and for each month in 2018 and the sources of such purchases.

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7 A. Hydro proposed the Off-Island Purchases Deferral Account to become effective
8 December 1, 2017 to permit all net savings from off-island purchases over the
9 Maritime Link to be set aside for future disposition. However, since the filing of its
10 2017 GRA, Hydro has been informed that the Maritime Link will not be in service
11 until January, 2018. Therefore, it is not necessary to establish the proposed deferral
12 account in 2017.

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14 In order to ensure transparency in Hydro's financial reporting, the approval of the
15 proposed deferral account is required prior to the end of the financial quarter in
16 which Hydro is first able to use off-island power to reduce Holyrood generation.

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18 Estimates for off-island purchases for 2018 are provided in Hydro's response to
19 NP-NLH-115.