

- 1 Q. Provide the estimated year-end RSP Hydraulic Variation component balance for 2019 and
2 2020 based on the following scenarios:
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- 4 i. Proposal to apply the credit balance in the RSP Hydraulic Variation component to offset
5 rate increases is denied and Hydro experiences average reservoir in-flows for the
6 balance of 2019 to the end of 2020.
- 7 ii. Proposal to apply the credit balance in the RSP Hydraulic Variation component to offset
8 rate increases is denied and Hydro experiences a firm water cycle beginning in 2019 to
9 the end of 2020.
- 10 iii. Proposal to apply the credit balance in the RSP Hydraulic Variation component to offset
11 rate increases is approved and Hydro experiences average reservoir in-flows for the
12 balance of 2019 to the end of 2020.
- 13 iv. Proposal to apply the credit balance in the RSP Hydraulic Variation component to offset
14 rate increases is approved and Hydro experiences a firm water cycle beginning in 2019
15 to the end of 2020.
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- 18 A. Table 1 provides the projected year-end balances after the year-end transfer of 25%¹ to the
19 Rate Stabilization Plan (“RSP”) Current Plan balances.

Table 1: RSP Hydraulic Account Scenario Balances (\$000)

RSP Hydraulic Account	2019 Year End Balance	2020 Year End Balance
Scenario 1	(27,283)	(18,818)
Scenario 2 ²	132,958	270,119
Scenario 3 ³	2,623	3,611
Scenario 4 ⁴	162,863	292,548

¹ As per the RSP for disposition of the Hydraulic Variation Component.

² Actual Hydraulic Production from January - June 2019 was 2,302.0 GWh. A firm water cycle from July – December 2019 would be 1,146.4 GWh resulting in annual production of 3,448.4 GWh. A firm water cycle for 2020 is estimated to be 3,349.7 GWh.

³ The variation for 2019 and 2020 was calculated using 2019 Cost of Service inputs.

⁴ Actual Hydraulic Production from January - June 2019 was 2,302.0 GWh. A firm water cycle from July – December 2019 would be 1,146.4 GWh resulting in annual production of 3,448.4 GWh. A firm water cycle for 2020 is estimated to be 3,349.7 GWh.

1 Hydro considers Scenarios 2 and 4 to be the extreme cases as they do not account for any
2 storage in the reservoir systems above the minimum storage target at the onset of the firm
3 water cycle. Storage above the minimum target would allow Hydro to produce an
4 additional portion of the energy hydraulically to offset the total thermal requirements
5 should the firm water cycle occur.