Q. (Re: *2016 Standby Fuel Deferral Application*, February 5, 2016 Report, Appendix B) Please provide a detailed comparison of the Energy Supply Cost Variance Account ("ESCVA") proposed in the Amended 2013 General Rate Application and the deferral account documented in Appendix B.

A. The ESCVA, as proposed in the Amended 2013 General Rate Application, would capture variances from the 2015 Test Year in both price and volume from the following sources (A-B):

- Power purchases from wind generation, specifically;
  - St. Lawrence; and
  - Fermeuse.
- Power purchases from Corner Brook Pulp and Paper cogeneration;
- Power purchases from hydraulic generation, specifically;
  - Nalcor Exploits;
  - Star Lake; and
  - Rattle Brook.
- Diesel generation, specifically;
  - St. Anthony; and
  - Hawkes Bay.
- Gas Turbine generation, specifically;
  - Stephenville GT;
  - Hardwoods GT; and
  - Holyrood CT.

This variance is offset by the costs or savings of avoided Holyrood TGS energy production, as calculated in Part C of the ESCVA. Any variance in the account is proposed to be subject to a ±$500,000 dead band which would accrue to Hydro before any amounts are recovered from or paid back to customers.

The 2016 Standby Fuel Deferral, as proposed in the Application, would capture variances from the 2015 Test Year in both price and volume for the following sources (A):

- Holyrood Combustion Turbine;
- Hardwoods Gas Turbine;
- Stephenville Gas Turbine;
- St. Anthony Diesel Plant;
- Hawkes Bay Diesel Plant;
- Holyrood Blackstart Diesels; and
- Purchases from Newfoundland Power Thermal.

It would also capture volume variances only, associated with hydraulic power purchases from the following sources (B):

- Nalcor Exploits;
- Star Lake; and
- Rattle Brook.

These variances are offset by the costs or savings of avoided Holyrood TGS energy production, as calculated in Part C of the 2016 Standby Fuel Deferral.