

- 1 Q. Provide the estimated year-end RSP Hydraulic Variation Account balance for 2018
2 and 2019 based on the following scenarios:
- 3 i) Proposal to transfer the net deferred supply cost balances to the RSP
4 Hydraulic Variation Account is denied and Hydro experiences average
5 reservoir in-flows for the balance of 2017 to the end of 2019;
- 6 ii) Proposal to transfer the net deferred supply cost balance to the RSP
7 Hydraulic Variation Account is denied and Hydro experiences a firm water
8 cycle beginning in 2017 to the end of 2019;
- 9 iii) Proposal to transfer the net deferred supply cost balance to the RSP
10 Hydraulic Variation Account is approved and Hydro experiences average
11 reservoir in-flows for the balance of 2017 to the end of 2019; and
- 12 iv) Proposal to transfer the net deferred supply cost balance to the RSP
13 Hydraulic Variation Account is approved and Hydro experiences a firm water
14 cycle beginning in 2017 to the end of 2019.
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- 16 A. i) Table 1 provides the forecast Hydraulic balances if the proposal to transfer the
17 net deferred supply cost balances to the Rate Stabilization Plan (RSP) Hydraulic
18 Variation Account is denied and Hydro experiences average reservoir in-flows
19 for the balance of 2017 to the end of 2019.

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Table 1 Rate Stabilization Plan – Hydraulic Balance (Scenario i)

	2017¹	2018²	2019³
Opening balance	(37,018)	(18,742)	(13,729)
Adjustments ⁴	15,611	-	-
Opening balance - Adjusted	(21,407)	(18,742)	(13,729)
Net Hydraulic Production Variation	(3,582)	436	-
Financing Charges	(1,864)	(1,125)	(78)
Hydraulic Allocation	8,111	5,701	3,510
Transfers	-	-	-
Closing Balance	(18,742)	(13,729)	(10,297)

- 1 ii) Table 2 provides the forecast Hydraulic balances if the proposal to transfer
2 the net deferred supply cost balance to the RSP Hydraulic Variation Account
3 is denied and Hydro experiences a firm water cycle beginning in 2017 to the
4 end of 2019.

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¹ Forecast includes actuals to August 2017.

² The variation for 2018 was calculated using 2015 Cost of Service inputs.

³ 2019 proposed Cost of Service inputs used in calculation.

⁴ The 2017 opening balance was adjusted to reflect the restatement of balances for 2015 and 2016 using 2015 Test Year inputs, except for fuel price. The adjustment reflects the Board's decision on Hydro's 2013 General Rate Application in Order No. P.U.49(2016).

Table 2 Rate Stabilization Plan – Hydraulic Balance (Scenario ii)

	2017	2018 ⁵	2019 ⁶
Opening balance	(37,018)	44,227	122,439
Adjustments ⁷	15,611	-	-
Opening balance - Adjusted	(21,407)	44,227	122,439
Net Hydraulic Production Variation ⁸	80,376	119,025	177,546
Financing Charges	2,766	6,110	12,161
Hydraulic Allocation	(17,508)	(46,923)	(87,157)
Transfers	-	-	-
Closing Balance	44,227	122,439	224,988

- 1 iii) Table 3 provides the forecast Hydraulic balances if the proposal to transfer
2 the net deferred supply cost balance to the RSP Hydraulic Variation Account
3 is approved and Hydro experiences average reservoir in-flows for the
4 balance of 2017 to the end of 2019.

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⁵ The variation for 2018 was calculated using 2015 Cost of Service inputs.

⁶ 2019 proposed Cost of Service inputs used in calculation.

⁷ The 2017 opening balance was adjusted to reflect the restatement of balances for 2015 and 2016 using 2015 Test Year inputs, except for fuel price. The adjustment reflects the Board's decision on Hydro's 2013 General Rate Application in Order No. P.U.49(2016).

⁸ Actual Hydraulic Production under a firm water cycle beginning in 2017 to the end of 2019 is 3,733.1 GWh, 3,448.37 GWh, and 3,349.66 GWh, respectively. The balance for 2017 assumes a firm water cycle for the full year.

Table 3 Rate Stabilization Plan – Hydraulic Balance (Scenario iii)

	2017⁹	2018¹⁰	2019¹¹
Opening balance	(37,018)	12,915	10,013
Adjustments ¹²	15,611	-	-
Opening balance - Adjusted	(21,407)	12,915	10,013
Net Hydraulic Production Variation	(3,582)	436	-
Financing Charges	(1,864)	968	569
Hydraulic Allocation	(2,441)	(4,306)	(3,072)
Transfers ¹³	42,209		
Closing Balance	12,915	10,013	7,510

- 1 iv) Table 4 provides the forecast Hydraulic balances if the proposal to transfer
2 the net deferred supply cost balance to the RSP Hydraulic Variation Account
3 is approved and Hydro experiences a firm water cycle beginning in 2017 to
4 the end of 2019.

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⁹ Forecast includes actuals to August 2017.

¹⁰ The variation for 2018 was calculated using 2015 Cost of Service inputs.

¹¹ 2019 proposed Cost of Service inputs used in calculation.

¹² The 2017 opening balance was adjusted to reflect the restatement of balances for 2015 and 2016 using 2015 Test Year inputs, except for fuel price. The adjustment reflects the Board's decision on Hydro's 2013 General Rate Application in Order No. P.U.49(2016).

¹³ Proposed transfer of the net deferred supply cost balance.

Table 4 Rate Stabilization Plan – Hydraulic Balance (Scenario iv)

	2017	2018¹⁴	2019¹⁵
Opening balance	(37,018)	75,883	146,181
Adjustments ¹⁶	15,611	-	-
Opening balance - Adjusted	(21,407)	75,883	146,181
Net Hydraulic Production Variation ¹⁷	80,376	119,025	177,546
Financing Charges	2,766	8,203	13,510
Hydraulic Allocation	(28,060)	(56,930)	(94,442)
Transfers ¹⁸	42,209		
Closing Balance	75,883	146,181	242,795

¹⁴ The variation for 2018 was calculated using 2015 Cost of Service inputs.

¹⁵ 2019 proposed Cost of Service inputs used in calculation.

¹⁶ The 2017 opening balance was adjusted to reflect the restatement of balances for 2015 and 2016 using 2015 Test Year inputs, except for fuel price. The adjustment reflects the Board's decision on Hydro's 2013 General Rate Application in Order No. P.U.49(2016).

¹⁷ Actual Hydraulic Production under a firm water cycle beginning in 2017 to the end of 2019 is 3,733.1 GWh, 3,448.37 GWh, and 3,349.66 GWh, respectively. The balance for 2017 assumes a firm water cycle for the full year.

¹⁸ Proposed transfer of the net deferred supply cost balance.