

1 Q. (p.4, lines 1-11) Regarding the Star Lake Hydro contract and the Algonquin
2 Power contract, if their costs are incorporated into Hydro's rates then do they
3 lower or raise those rates? Explain whether these contracts' implied fuel cost
4 savings at Holyrood exceed these contracts' costs.

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7 A. Please refer to the response to IC-208 for an indication of the overall cost
8 benefit to ratepayers and a comparison to the energy costs of existing
9 facilities.

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11 These contracts' implied fuel cost and variable O&M savings at Holyrood do
12 not exceed these contracts' costs. It is important to note that as well as
13 providing energy, these contracts' also provide capacity to the interconnected
14 system, which is reflected in the contracts' prices.