

1 Q. Please specify all cost savings which arise by reason of the shutdown of the  
2 ACI Stephenville Mill and explain how the same have been incorporated into  
3 the 2007 Test Year Revenue Requirement.  
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6 A. Cost savings that arise by reason of the shutdown of the ACI Stephenville  
7 Mill are primarily avoided production at Holyrood. The Stephenville terminal  
8 station and transmission line configuration is unaffected, and the only  
9 dedicated plant for the mill owned and maintained by Hydro is TL 238,  
10 revenue metering, and communications facilities to the mill. The line is less  
11 than one km long, and as such does not present a significant maintenance  
12 cost savings opportunity. The revenue metering and communications will  
13 remain in place until the plant is decommissioned. The reduced maintenance  
14 requirements of these facilities are insignificant and therefore have not been  
15 incorporated in the revenue requirement.  
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17 The load forecast used as the basis for the Rate Application includes the  
18 impacts of the mill closure on Hydro's production requirement. It has resulted  
19 in a significant reduction in production at Holyrood. However, the reduction is  
20 insufficient to alter maintenance requirements at Holyrood to result in savings  
21 in system equipment maintenance expenses at that facility.