

1 **Q. Further to NLH-NP-054 and NLH-NP-055, please provide the impact on purchased**  
 2 **power expense for 2016 if forecast year-end storage in 2016 is reduced from the**  
 3 **forecast of 53 GWh to the 2012 year-end storage of 41 GWh. Please perform the**  
 4 **calculation on both the existing wholesale end block rate (8.805 cents per kWh) and**  
 5 **the proposed wholesale end block rate in Hydro's Amended Application (i.e. 11.622**  
 6 **cents per kWh).**

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 8 A. Table 1 shows the estimated impacts on purchased power expense for 2016 assuming  
 9 year-end storage of 41 GWh at the existing wholesale end block rate and the proposed  
 10 wholesale end block rate.  
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**Table 1**  
**Impact on Forecast 2016 Purchased Power Expense**  
**Due to Changes in Year End Storage and the**  
**Wholesale End Block Rate**  
**(\$000's)**

	<b>Purchased Power Impact</b>
Existing Rate (8.805 cents per kWh)	(1,004)
Proposed Rate (11.622 cents per kWh)	(1,325)

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 15 For Newfoundland Power to assume that year end 2016 storage was going to reflect 2012  
 16 year end storage of 41 GWh would require Newfoundland Power to *plan* to have 12  
 17 GWh less storage available for its hydroelectric plants for the period January-March  
 18 2017. Amongst other things, evidence in the Board's *Investigation and Hearing into*  
 19 *Supply Issues and Power Outages on the Island Interconnected System* indicated that  
 20 increasing the available Newfoundland Power generation resources that can contribute to  
 21 support the system in the winter period would be beneficial.<sup>1</sup> A plan which aims to  
 22 reduce the amount of storage available for Newfoundland Power's hydroelectric plants in  
 23 the winter season would be inconsistent with increasing the availability of Newfoundland  
 24 Power's generation resources for the winter period. For this reason, a planned reduction  
 25 of year-end 2016 storage as implied by this request for information would not be  
 26 reasonable.

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<sup>1</sup> See, for example, responses to Requests for Information PUB-NP-036 and PUB-NP-056 in the Board's *Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System*.