

1 Q. **Volume 1 (1st Revision), Chapter 4: Finance**

2 Please complete the table below detailing the impact on Hydro's earnings related to
 3 the estimated \$6.8 million of inventory of spare parts to service the Holyrood plant
 4 assuming (i) the Holyrood Inventory Allowance is not approved by the Board and (ii)
 5 Holyrood is converted to synchronous condenser mode by March 31, 2021.

6 (Volume I (1st Revision), Chapter 4: Finance, Page 4.11, Line 12, et. seq.)

Holyrood Inventory Impact on Earnings (\$000s)				
	2018T	2019T	2020	2021
Impact on earnings				

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9 A. Hydro would incur an approximate reduction of \$6.2 million in 2021 assuming (i)
 10 the Holyrood Inventory Allowance is not approved by the Board and (ii) Holyrood is
 11 converted to synchronous condenser mode by March 31, 2021. Please refer to
 12 Table 1.

Table 1 – Holyrood Inventory Impact on Earnings (\$000s)

	2018T	2019T	2020	2021
Impact on earnings¹	581	576	576	(6,188)

¹ 2021 is comprised of \$0.6 million related to return on inventory from 2019 Test Year revenue requirement less \$6.8 million of Holyrood inventory impairment. 2018 through 2020 impacts are related only to the return on inventory.