

1 Q. Re: Page 28, lines 21 -23. It is stated that as the GRA revenue requirement is
2 being set using a "default" baseline for Holyrood generation, the best estimate of
3 the "default" scenario should be used in the calculation of the Holyrood conversion
4 factor, that is, no consideration should be given to the actual loading of the Plant
5 with off-island purchases. On page 3 of the report, with respect to cost of service,
6 however, it is recommended that the actual operation of Holyrood with off-island
7 purchases occurring be taken into account in the classification of the capital costs
8 of the Plant.

9 Please explain why the isolated island scenario should be used for revenue
10 requirement purposes but not for cost of service purposes.

11 A. Please see NP-IC-003.

12 Also note that with respect to whether the isolated island scenario "should be used"
13 for revenue requirement purposes, please see PUB-IC-001.