

1 Q. On page 26 of Schedule 1: Evidence of the Application Hydro notes that “there continues to be  
2 uncertainty as to whether a further extension of the Holyrood TGS as a fully available generation  
3 facility will be required beyond March 31, 2023. A review of the feasibility of the Holyrood TGS  
4 as a backup supply facility beyond its current planned retirement date is ongoing as part of the  
5 Resource and Reliability Adequacy Study.”

6 Please explain why Hydro is proposing accelerated depreciation of Holyrood TGS assets if the  
7 future use is still uncertain and subject to the process before the Board.

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10 A. The accelerated depreciation method utilized reflects that which was most recently approved by  
11 the Board of Commissioners of Public Utilities and which Newfoundland and Labrador Hydro  
12 (“Hydro”) is required to follow. Hydro’s depreciation rates for Holyrood Thermal Generating  
13 Station assets not required for synchronous condenser operations are depreciated over the  
14 remaining useful life of the assets which currently is projected to be March 31, 2023. If an  
15 extension of the life occurs, the depreciation will be adjusted accordingly.