

1 Q. According to Appendix A, page 2 of 7, Section A-5.0, Hydro is proposing to continue with the  
2 +\$500,000 Cost Variance Threshold in a calendar year for the Other Island Interconnected  
3 System Supply Cost Variance component. How did Hydro determine that the amount of the  
4 threshold is appropriate for this new account?

5

6

7 A. Newfoundland and Labrador Hydro (“Hydro”) proposed to continue to apply the same cost  
8 variance threshold as currently exists in the Revised Energy Supply Cost Variance Deferral  
9 Account. Hydro notes that the Other Island Interconnected System Supply Cost Variance  
10 component tracks the supply cost variances from the same supply cost sources as currently  
11 included in the Revised Energy Supply Cost Variance Account.