

1 Q. Does Hydro believe there will continue to be a need for the RSP following  
2 commissioning of the Labrador in-feed?

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5 A. The RSP in its present form mainly accounts for variations in Holyrood fuel costs  
6 that result from changes in hydraulic production, load and fuel price. In the present  
7 GRA, Hydro has also applied for deferral of energy supply variations which also  
8 result in changes in fuel costs at Holyrood. Once the Holyrood Thermal Generating  
9 Station is permanently shut down, there will no longer be a need for this rate  
10 stabilization mechanism in relation to Holyrood fuel costs. It remains to be  
11 determined, however, whether some type of rate stabilization or other deferral  
12 mechanism will be necessary based on the power supply arrangements in place at  
13 the time of the in-service of the Labrador Island Link.