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1    Q.    **Cost of Service**

2            (Re: Amended GRA) Section 4.3.3 (page 4.15 – 4.17) addresses Holyrood capacity  
3            factor. Why is Hydro proposing to use the average Holyrood capacity factor forecast  
4            for the five-year period ending 2015 rather than the forecast Holyrood capacity  
5            factor averaged over the three-year period from 2015 through 2017 when the  
6            proposed rates are expected to be in effect?

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9    A.    The approved Cost of Service methodology requires the use of a historical five-year  
10           period in determining the Holyrood capacity factor for use in the Test Year Cost of  
11           Service study. The use of the three-year period from 2015 through 2017 would  
12           exclude all historical data from the computation of the test year capacity factor and  
13           not be in compliance with the approved Cost of Service methodology.

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15           Additional explanation of the basis for the proposed 2015 Test Year capacity factor  
16           is provided in Section 4.3.3 of the Evidence to Hydro's Amended Application.