

- 1 Q. Further to the response to Request for Information CA-NLH-312:
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3 Please explain in detail why Hydro considers it appropriate to propose 3 new supply
4 cost variance deferral accounts, provided that, as stated by Hydro:
5 (i) Significant changes in system costs are on the horizon with Muskrat Falls
6 and associated transmission;
7 (ii) Hydro will not be conducting a full review of the RSP until 2016; and
8 (iii) Hydro is not proposing any material changes to the RSP at this time.
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- 10 A. Hydro's proposed supply cost variance deferral accounts deal with supply cost
11 variances that occur prior to the Labrador-Island interconnection. The evidence in
12 support of the proposed deferral accounts is provided in Sections 2.6.1 and 3.8.2 of
13 the Evidence to Hydro's Amended Application. These cost variances are not
14 currently recovered through the RSP. The requirement for the proposed supply cost
15 deferral accounts beyond the Labrador-Island interconnection will be assessed
16 concurrent with the RSP review planned for 2016.