

1 Q. **2013 General Rate Application, Holyrood Energy Conversion Factor**

2 What is the impact on Hydro and its customers if the Holyrood energy conversion
3 factor varies by ± 10 kWh from that proposed by Hydro of 612 kWh?

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6 A. Please refer to the table below which indicates the impact in 2015 in terms of No. 6
7 fuel consumption and cost resulting from a variation in the Holyrood net energy
8 conversion factor of ± 10 kWh/barrel from that proposed by Hydro of 607
9 kWh/barrel for the 2015 Test Year.

| Conversion Rate | No. 6 Fuel Consumption (bbls x 1000) | Impact (bbls x 1000) | No. 6 Fuel Consumption (\$Million) | Impact (\$Million) |
|--------------------|--|-------------------------|--|-----------------------|
| 607 | 2,624.4 | | \$ 244.9 | |
| 597 | 2,668.3 | 43.9 | \$ 248.8 | \$ 3.90 |
| 617 | 2,581.8 | (42.6) | \$ 240.9 | \$ (4.00) |

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11 Since there is no mechanism in the RSP or elsewhere for Hydro to pass the savings
12 or the extra cost on to its customers, the impact of variability in the Holyrood fuel
13 conversion rate is that it affects Hydro's net income.