Undertaking 170
Page 146, line 18 to Page 147, line 4

Re: Schedule VI, of Section 2 of the Evidence p1/1
Power purchases that are forecast for 2015 in Schedule VI

Undertake to obtain an assessment of the likely variability in volume of purchases under those contracts... and how that's been addressed, if at all, in the deferral account in Schedule VII.

The following table presents the historical range in energy production variability of the non-Exploits power purchases included in the Energy Supply Cost Variance Deferral Account:

Power Purchase Source	Minimum (GWh)	Maximum (GWh)	Comments
Rattle Brook	11.42	18.66	Based on historical record from 1999-2014
CBPP Co-Generation	47.84	55.89	Based on the historical record from 2009 - 2014 (following the shut of the second of two CBPP paper machines)
St. Lawrence Wind	96.38	110.00	Based on the historical record from 2009-2014
Fermeuse Wind	81.72	95.52	Based on the historical record from 2010-2014

The impact of these potential volume changes are captured in the Energy Supply Cost Variance Deferral Account (the "Account"), as described in Schedule VII of the Finance Section of Hydro's Amended Application on two bases. First, the actual cost variance resulting from higher or lower power purchase expense incurred by Hydro, when compared to the Test Year, is captured in the Account. This is noted in the proposed deferral definition as "(A-B)".

Second is the impact the volume variance has on Holyrood No. 6 fuel expense, based on the Test Year cost of fuel and fuel conversion factor, noted in the proposed deferral definition as "C". An increase, or decrease, in volume of energy obtained from these sources is priced in relation to Test Year fuel costs at the Holyrood TGS.

The net impact of "(A-B) – C" combined with the impact on the existing RSP is that customers are ultimately only charged or credited for net supply cost that are in excess of the $500,000 deadband. Please see Hydro's response to Undertaking 171 for detailed calculations showing this net impact.