

1 Q. Reference: Hydro's Evidence - Capacity Assistance Procurement Process and
2 Considerations, Section 3.0, Page 3, lines 11-12

3 *"The capacity assistance arrangement with CBPP during the 2013/14 winter*
4 *season provided a lower fixed payment and a high variable payment."*

5 Please provide a table that provides itemized detail of (i) the total fixed and total
6 variable costs incurred by Hydro as a result of the capacity assistance received
7 during the 2013/2014 winter season and (ii) the total fixed and total variable costs
8 that would have been incurred in 2013/2014 if the proposed Capacity Assistance
9 Agreement had been in place during the same period.
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12 A. Appendix A to the evidence filed with Hydro's Application for the approval of the
13 deferral and recovery of expenses associated with the increased capacity-related
14 supply costs on the Island Interconnected System in 2014 (see DD-NLH-002,
15 Attachment 2) provides the details of the \$126,000 in fixed costs and \$6,080,000 in
16 variable costs incurred by Hydro as a result of the capacity assistance provided by
17 CBPP during the 2013/14 winter season.
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19 Hydro is unable to provide the total costs that would have been incurred in
20 2013/2014 if the proposed capacity assistance agreement had been in place for that
21 period. The terms of the proposed capacity assistance agreement limits the number
22 of requests to two per day with no request exceeding six hours and the total
23 requested hours not exceeding 100 for the winter season. The proposed capacity
24 assistance agreement would not have provided for the number and duration of
25 requests that occurred during the 2013/14 winter season.¹ Some other form of

¹ The capacity agreement in place for the previous winter season had no cap on the number of hours per day or per winter that capacity assistance could be requested.

1 agreement would also have been required to meet the additional system
2 requirements had the proposed agreement been in place for the 2013/14 winter
3 season. However, Hydro's forecast, reflecting the addition of the new combustion
4 turbine, indicates the proposed capacity assistance agreement will be adequate to
5 ensure reliable service up to the time of the Labrador Interconnection.