

1 Q. **Evidence – Application for Deferral and Recovery of 2014 Capacity-Related Supply**  
2 **Costs, Page 2, Table 1.**

3 Please provide a table that shows the costs related to capacity constraints that are  
4 associated with each of (i) the lack of available Hydro generation capacity to meet  
5 customer demand and (ii) equipment failures on Hydro's bulk transmission system.  
6

7  
8 A. The costs on Page 2, Table 1 of Hydro's application relate to supply constraints due  
9 to lack of available Hydro generation capacity to meet customer demand. As  
10 outlined in the application:  
11

12 *The additional capacity-related supply costs resulted from (a) the short-term*  
13 *purchase arrangement established with Corner Brook Pulp and Paper to*  
14 *provide the necessary capacity to support the Island Interconnected System*  
15 *from January to March 2014, and (b) the requirement to use additional*  
16 *diesel and gas turbine generation, plus the costs incurred for requesting that*  
17 *Newfoundland Power run its thermal generation to meet Hydro's system*  
18 *load requirements...*  
19

20 Each of these measures was required in order to increase system generation  
21 reserves to maintain the reliability of the power system and to minimize the impact  
22 to customers.  
23

24 The foregoing being said, Hydro notes the reason that certain of the generation  
25 capacity was unavailable was due to equipment failures on Hydro's bulk  
26 transmission system. Although the two items are related and difficult to segregate,  
27 in order to be responsive to the question posed, Hydro has assumed that on

average, approximately 35% of the unavailable generation capacity on January 4 to 8, 2014 was primarily on account of the issues experienced with the bulk transmission system<sup>1</sup>, whereas on the other dates in January, February and March, 2014, this was not the case. On that basis, the cost breakdown requested is as follows:

- CBPP – unavailable generation - \$ 5,074,000
- CBPP – transmission system issues - \$ 1,052,000
- Standby Generation Fuel – unavailable generation - \$ 5,362,000;
- Standby Generation Fuel – transmission system issues - \$ 174,000.

---

<sup>1</sup> More specifically, the unavailability of Holyrood units resulting from the Sunnyside equipment issues on January 4 and Holyrood B1B17 breaker issues on January 5.