

1 Q. If all of the energy produced by the Holyrood GT on November 26, 2016 had been
2 produced by Holyrood Units 1, 2, and 3, what would the dollar impact have been on
3 the operation of the RSP, the Holyrood Conversion Deferral and the Energy Supply
4 Deferral?

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7 A. As noted in Hydro's response to NP-NLH-030, the Holyrood Gas Turbine (GT)
8 produced approximately 120,280 kWh on November 26, 2016. The Rate
9 Stabilization Plan is not impacted by actual unit production but rather by variances
10 in fuel price, hydraulic production, and customer load. Therefore, an increase in
11 production by the Holyrood Thermal Generating Station (TGS) does not impact the
12 RSP balance.

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14 A reduction in production at the Holyrood GT of 120,280 kWh would reduce the
15 cost of Standby Generation and increase the cost of fuel at the Holyrood TGS. The
16 net impact on the Energy Supply Cost Deferral Account would be a net decrease in
17 the Energy Supply Cost Deferral Account balance of approximately \$12,310.¹

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19 Hydro is unable to compute the exact impact this change would have on the
20 Holyrood Conversion Rate Deferral Account. However, additional energy produced
21 at the Holyrood TGS contributes to a higher average unit loading which would have,
22 in this example, marginally increased the fuel conversion rate on November 26,

¹ Assuming the 2016 average annual cost per kWh of 20.66 cents/kWh as noted in Hydro's response to NP-NLH-016, a reduction in production at the Holyrood GT of 120,280 kWh would reduce the cost of Standby Generation by approximately \$24,846. Using Hydro's approved 2015 Test Year cost of fuel of \$64.41 and an efficiency factor of 618 kWh/bbl, the cost of replacing this energy with production at the Holyrood TGS, as reflected in Part C of the Energy Supply Deferral, would be \$12,536.

- 1 2016 and reduced the balance in the 2016 Holyrood Conversion Rate Deferral
- 2 Account.