

1 Q. **2013 General Rate Application, Exploits Generation**

2 Page 2.4, lines 10-11 - It is stated that the arrangements for Exploits Generation
3 have been extended to June 30, 2014. Should the current arrangement not be
4 further extended, what impact would termination of the arrangement or an
5 increase in purchase price have on Hydro's costs and on customers' rates?
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8 A. If the current arrangements are terminated and Hydro's proposal to stabilize the
9 power purchases energy supply variations is approved, customers would be
10 charged, through the RSP, for the fuel required to supply the load which would no
11 longer be served from the Exploits Generation Power Purchases.
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13 If there is a change in the purchase price and Hydro's proposal to stabilize the
14 power purchases energy supply variations is approved, customers would be
15 charged for the increase or credited with the decrease through the RSP.
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17 If Hydro's proposal to stabilize energy supply costs is not approved, Hydro's net
18 income would see the impact of the increase in fuel costs if the arrangement was
19 terminated or if the power purchase cost varied from the Test Year costs.