

1 Q. (Reference 2017 GRA Volume I, Schedule 4 – III) Provide a similar schedule under
2 the assumption that in 2018 and 2019 there are net savings of \$60 million due to
3 off island purchases in each of those years, and an Off Island Purchases Deferral
4 Account is not used; also include an additional line that shows a rate of return on
5 equity. Please repeat assuming the net saving is \$90 million in each year.

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8 A. Schedule 4-III shows Hydro’s Return on Rate Base under existing rates for 2018 and
9 2019. Based on the forecast of the deferral account balance provided in Hydro’s
10 response to NP-NLH-115, it is not possible to achieve net savings of \$60 million or
11 \$90 million each year by utilizing Recapture Energy to offset Holyrood. Please refer
12 to Hydro’s response to CA-NLH-050 which presents the information requested
13 based on the forecast Recapture Energy to be delivered to the Island in 2018 and
14 2019.