

1 Q. Please illustrate the operation of the proposed Holyrood Conversion Rate Deferral
2 Account during the period 2012 through 2014, assuming the mechanism had been
3 approved based on a test year reflecting 2011 actual costs. Indicate in the response
4 the dollar value of the annual variance determined by the Conversion Rate Cost
5 Variance formula in the proposed account definition that is due to each of (i)
6 Running Heat Content; and (ii) other. (Volume I, Section 2: Regulated Activities
7 Schedule IX, page 1 of 1)

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10 A. Please see NP-NLH-253 Attachment 1 for the Holyrood Conversion Rate Deferral
11 Account balances for 2012 through 2014 assuming 2011 actual values for the Test
12 Year. The requested variance breakdown is not available.

Holyrood Fuel Conversion Rate Cost Variance Deferral Account

Particulars	2012	2013	2014
A - Actual quantity of No.6 fuel consumed (bbl)	1,428,337	1,610,966	2,251,225
B - Calculated quantity of No. 6 fuel consumed using the 2011 Test Year Cost of Service fuel conversion rate (bbl) ¹	1,420,235	1,588,865	2,182,745
C - 2011 Test Year Cost of Service No. 6 fuel cost (\$) per bbl	91.92	91.92	91.92
 Holyrood Fuel Conversion Rate Costs Deferral Balance (\$) [(A - B) x C]	 744,778	 2,031,489	 6,294,626

¹Calculation of B:

D - Actual net Holyrood production (kWh)	855,826,207	957,442,307	1,315,311,289
E - 2011 Test Year Cost of Service fuel conversion rate (kWh/bbl)	603	603	603