

APPENDIX E: ILLUSTRATION OF HERITAGE DEFERRAL ACCOUNT

	Units	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Forecast Heritage Energy											
Hydro Generation	GWh	46,635	46,635	46,635	46,635	46,635	46,635	46,635	46,635	46,635	46,635
Market Purchases or Thermal Generation	GWh	2365	2365	2365	2365	2365	2365	2365	2365	2365	2365
Heritage Energy	GWh	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000

Actual Heritage Energy (Illustrative)

Hydro Generation (1985-1994)	GWh	47,420	39,720	51,420	49,120	41,420	46,320	48,920	50,120	42,320	43,420
Market Purchases or Thermal Generation	GWh	1,580	9,280	495	495	7,580	2,680	495	495	6,680	5,580
Surplus Hydro Energy				(2,915)	(615)			(415)	(1,615)		
Actual Heritage Energy	GWh	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000

Deferral Adjustment

Forecast Heritage Payment Obligation	A	\$ 1,144	\$ 1,180	\$ 1,196	\$ 1,206	\$ 1,222	\$ 1,238	\$ 1,252	\$ 1,272	\$ 1,282	\$ 1,301
Heritage Payment Obligation (Illustrative)	B	\$ 1,078	\$ 1,515	\$ 939	\$ 1,057	\$ 1,478	\$ 1,235	\$ 1,117	\$ 1,078	\$ 1,477	\$ 1,441
Deferral Adjustment A - B = C		\$ 66	\$ (335)	\$ 257	\$ 149	\$ (256)	\$ 3	\$ 135	\$ 194	\$ (195)	\$ (140)

Deferral Account Continuity

Opening Balance	D	\$ -	\$ 66	\$ (265)	\$ (27)	\$ 120	\$ (128)	\$ (134)	\$ (8)	\$ 185	\$ 3
Additions	C	66	(335)	257	149	(256)	3	135	194	(195)	(140)
Interest @7%	E	0	4	(19)	(2)	8	(9)	(9)	(1)	13	0
Closing Balance D+C+E		\$ 66	\$ (265)	\$ (27)	\$ 120	\$ (128)	\$ (134)	\$ (8)	\$ 185	\$ 3	\$ (137)

In this illustration, hydro generation based on hydro generation from 1985 to 1994. The balance of the heritage energy is allocated to market or gas purchases, resulting in variances in Heritage Payment Obligation