A. (a) see Table attached on page 4 of this Answer.

(b) the increase referred to in NLH15(a) does not reflect the RSP adjustment for 2001 and 2002. The recalculated increase is shown on the Table on page 5 of this Answer.

(c) the Interruptible "A" rate will not increase the cost per tonne of newsprint for the Stephenville Mill in 2002. A high increase in the rate would result in ACI-Stephenville using more firm power and less Interruptible "A" power. An increase in the Interruptible "A" rate has the effect of reducing the Mill's flexibility when going through periods of operational change. This would in turn lead to additional costs.

Hydro's proposed non-firm power incorporates the existing Interruptible "A" Power, Emergency Power and Exceptional Power used at ACI-Grand Falls. The main use of non-firm power at ACI-Grand Falls is for generation outage. It is not possible to predict the number of generator failures or the duration of these failures with any accuracy.

Grand Falls uses very little Interruptible "A" Power, so the impact on this power block in minimal.

The Emergency Power will have the biggest possible cost to ACI-Grand Falls due to the method of calculating the demand, i.e., the number of days in which non-firm power was taken multiplied by the maximum non-firm demand for the month. Given the large range in the Grand Falls generation output, this could be a costly rate. Exact costs or impact on costs per tonne cannot be accurately estimated as it depends on the number of generator outages and duration.

(d) With the implementation of the power purchase agreement in 2003 for incremental generation on the Exploits River, the need for Generation Outage Demand required by ACI Grand Falls will be greatly reduced. Barring a double contingency for forced outages, the only circumstance would be if #4 generator at Grand Falls was forced down. This would leave us 2.5 MW short. Generation Outage Demand could also be used for a plugged river (ice) or low water in storage at Red Indian Lake.