

1 Q. Does Hydro ever purchase power from Newfoundland Power? If so, provide  
2 the details of the pricing arrangements and indicate whether these vary with  
3 the Newfoundland Power generating facilities from which the power comes.

4

5

6 A. On occasion, Hydro purchases power from Newfoundland Power. Hydro  
7 requests Newfoundland Power to operate its thermal generating plants in  
8 order to maintain secure operation of the power system and reliable service  
9 to all customers.

10

11 Hydro pays to Newfoundland Power the cost of fuel and additives used by  
12 the generating facility placed in-service at Hydro's request.

13

14 The cost of fuel may vary with generating facility. The price Hydro pays is  
15 the actual blended cost of fuel in storage at each facility.