

- 1 **Q: Under an opportunity cost-based approach, should Newfoundland and**
2 **Labrador Hydro's estimates of forward-looking marginal costs incorporate**
3 **transmission reservation charges?**
4
- 5 A. As described on page 86-87 and page 90, lines 12-16, using an opportunity cost
6 approach for procuring energy or capacity requires consideration of transmission
7 charges.