

1 Q. On page 20 of Schedule 1: Evidence of the Application Hydro notes that it “anticipates the filing
2 of an application in the near-term to approve the purchase of the Exploits assets from
3 government. If this transfer proceeds, Hydro will no longer incur the Exploits purchase power
4 cost and the cost of Exploits will be reflected in Hydro’s internal costs.”

5 Please explain if there is any impact from Exploits to the Muskrat Falls PPA Schedule 2 energy
6 amounts. Please provide the assumptions used regarding Exploits to develop the Schedule 2
7 annual volumes. Please also provide a forecast of Schedule 2 volumes compared to Island
8 requirements if Hydro did not have access to the Exploits generation.

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11 A. Ownership of Exploits has no bearing on the Muskrat Falls Power Purchase Agreement
12 (“Muskrat Falls PPA”) Schedule 2 energy amounts; therefore, the transfer of ownership would
13 have no impact on these amounts. In developing Schedule 2, it was assumed that Exploits would
14 continue to be used to serve NL Native Load throughout the term of the Muskrat Falls PPA.