

1 **Q. Further to CA-NP-139, what are the potential risks and benefits to NP and its**
2 **ratepayers in connection with the Mobile River watershed litigation?**
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4 A. The principal benefit to Newfoundland Power and its customers associated with the
5 Mobile River hydroelectric facilities is that the facilities provide approximately 49 GWh
6 of low cost hydroelectric energy to the Island interconnected grid annually. If the
7 watershed were to be used for purposes other than energy production for the Island
8 interconnected grid, the replacement energy would, in effect, come from the Holyrood
9 thermal generating station.
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11 The essential issue in the Mobile River watershed litigation is the value of, or price
12 required to be paid by the City of St. John's (the "City") for, Newfoundland Power's
13 Mobile River hydroelectric facilities. No determination of value has yet been made. The
14 relative positions of the parties are outlined in Attachment A to response to Request for
15 Information CA-NP-264.
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17 To quantify the potential risks and benefits to Newfoundland Power and its ratepayers in
18 connection with the Mobile River watershed litigation, would require insight into the
19 intended use for the watershed by the City. The City has not indicated its intentions
20 regarding use of the watershed for either the short or long-term. As the matter is now
21 before the Supreme Court of Newfoundland and Labrador Trial Division, the City's
22 intended use of the watershed remains uncertain.