

1 Q. (Re: IC-NLH-176) Is the marginal cost study being sole-sourced to NERA, and if so,
2 on what basis?
3
4

5 A. The initial step and analysis indicated in Hydro's response to IC-NLH-176 on lines
6 12-20 has been sole sourced to NERA Economic Consulting. Hydro chose to sole
7 source this initial piece of work on the basis of qualifications, experience and
8 expediency. NERA's familiarity with the marginal cost methodology for the Island
9 Interconnected System was considered beneficial in being able to advise Hydro in a
10 timely manner if the current marginal cost calculations appropriately reflect the
11 methodology determined by NERA in 2006; and whether the contractual
12 arrangements with Muskrat Falls required changes to the marginal cost approach
13 determined by NERA in 2006.
14

15 Please note that Hydro has not determined if any required subsequent marginal
16 cost analyses will be sole-sourced.