

1 Q. **Reference: Section 2.2.2: Exploits Generation and page 2.52.**

2 Please explain, based on section 2.2.2, the precise ownership and allocation of the
3 power assets and output from each of Star Lake, Exploits River Hydro Partnership,
4 Grand Falls, Buchans, and Bishop's Falls stations in the GRA, and the situation in the
5 previous GRA. Please also provide the rationale for the statement that Hydro "does
6 not own" Exploits assets at page 2.52.

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9 A. In the 2006 GRA, Star Lake was a non-utility generator owned by the Star Lake
10 Hydro Partnership. Power purchases of 142.45 GWh, costing \$10.4 million or 7.3
11 cents/kWh, were included in the 2007 Test Year. In the current GRA, Star Lake is
12 owned by the Provincial Government, operated under license to Nalcor, with Hydro
13 performing the operations, maintenance and capital upgrades, under an
14 arrangement with Nalcor. Hydro is forecasting the purchase of 144.99 GWh at 4
15 cents/kWh for a total cost of \$5.7 million in the 2014 Test Year and 142.18 GWh at
16 4 cents/kWh for a total cost of \$5.7 million in the 2015 Test Year.

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18 At the time of the last GRA, Exploits River Project was a non-utility generator owned
19 by the Exploits River Hydro Partnership. In the previous GRA, 137.00 GWh, costing
20 \$10.8 million or 7.9 cents/kWh, were included. In the current GRA, all Exploits
21 generation assets at Grand Falls, Buchans, and Bishop's Falls, including those
22 generation assets which served the former paper mill at Grand Falls, are owned by
23 Government, licensed to Nalcor and operated by Hydro under an arrangement with
24 Nalcor. Hydro is forecasting to purchase a total of 611.94 GWh at 4 cents/kWh for a
25 total cost of \$25.1 million in the 2014 Test Year and a total of 633.50 GWh at 4
26 cents/kWh for a total cost of \$25.3 million in the 2015 Test Year.