

1 Q. **Reference: Exhibit 13.**

2 Please provide an estimate of the total value of savings generated on Hydro's
3 system as a result of NP's generation credit (as compared to a situation with NP's
4 generation receiving no NP COS generation credit).
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7 A. NP's generation provides value to the Island Interconnected System. Please refer to
8 Section 4.2.1 of the report entitled "Review of Newfoundland and Labrador Hydro's
9 Treatment of Newfoundland Power's Generation" filed as Attachment 1 to IN-NLH-
10 125 for a discussion of the value of NP's thermal generation, in particular. The
11 value to the system is primarily Hydro's delayed capital costs of installing similar
12 capacity to serve the system. The value of this delayed capital cost is not readily
13 quantifiable as it requires a detailed long-term analysis.