

1 Q. **Reference: Introduction Evidence**

2 Please provide in tabular format, details on Hydro's cost of energy (on a per kWh
3 basis) purchased from each of the Star Lake Hydro and Exploits River Hydro
4 Partnerships for the period 2007 to 2013. (Introduction Evidence, page 1.7, lines 1
5 to 2)

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8 A. The table below details Hydro's cost of energy (on a per kWh basis) purchased from
9 each of the Star Lake Hydro and Exploits River Hydro Partnerships for the period
10 2007 to 2013. It should be noted that payments from Hydro to the operators of
11 both projects ceased following the closure of Abitibi's Grand Falls-Windsor paper
12 mill operations on February 12, 2009.

Cost of Energy for Star Lake Hydro and Exploits River Hydro Partnership				
Year	Cost of Energy (\$/kWh)			
	Star Lake Hydro			Exploits River Hydro Partnership
	Winter Rate	Summer Rate	Average Rate⁽¹⁾	
2007	\$0.08716	\$0.06310	\$0.07316	\$0.07705
2008	\$0.08806	\$0.06400	\$0.07407	\$0.07706
2009 (To Feb 12)	\$0.08906	n/a	\$0.08906	\$0.07708
¹ Using the total annual production and costs				

13 The 'Winter' period is the period between the billing months of November to March
14 (inclusive). The 'Summer' period is the period between the billing months of April
15 to October (inclusive).

16 In addition to the Base rates indicated above for the Exploits River Hydro
17 Partnership, there was payment for 'Additional' energy, or energy generated from

1 the Exploits facilities and taken by Hydro at a level above 92,700 kW. The rate for
2 this energy was determined monthly and was set at 75 percent of the variable cost
3 of Hydro's lowest incremental cost source (Holyrood). Hydro's incremental cost
4 sources are Holyrood and the Island Interconnected gas turbines and diesels.