

1     Q.     Further to response to Request for Information NP-NLH-055:  
2           The cost of energy purchases from Star Lake and Exploits River Hydro partnership  
3           was approximately 2.4¢ per kWh higher during the winter period than the non-  
4           winter period. Please explain the basis for the price differential, and please confirm  
5           there is no longer a seasonal price differential for purchases from Nalcor.

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8     A.     It should be noted that only the costs from Star Lake were approximately 2.4¢ per  
9           kWh higher during the winter period than the non-winter period. The costs for  
10          energy purchases from the Exploits River Hydro Partnership were at a constant rate  
11          throughout the year.

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13          The basis was established by Hydro's 1992 Request for Proposals for the  
14          development of small hydro projects. It was based on a decision to encourage  
15          proponents to establish reservoir storage to increase production during the winter.

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17          Hydro confirms that there is presently no longer a seasonal price differential for  
18          purchases from Nalcor.