

1 Q. **2013 General Rate Application, Exploits Generation**

2 Page 2.4, lines 5-7 - Hydro states it stored Base Generation from the generating
3 plants on the Exploits River and most of the energy stored was spilled up to the end
4 of 2011. What are the terms governing such generation which was not spilled by
5 the end of 2011?

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8 A. As outlined in Section 2.2.2 of the Regulated Activities evidence, in 2011 Hydro
9 received direction from the Government to purchase energy received from the
10 Exploits generation at 4 cents/kWh. Prior to that time Hydro had taken receipt of
11 the Base¹ generation at Grand Falls, Bishop's Falls and Buchans rather than
12 purchasing this energy. This action displaced Hydro's own hydroelectric generation
13 and increased the water in Hydro's reservoirs. Following the Government directive,
14 Hydro purchased only the energy from the Base generation which was deemed to
15 not have caused spill from Hydro's reservoirs. By the end of 2011 all of the energy
16 from the Base generation had either been purchased or spilled.

¹ Generation formerly used to supply the Abitibi paper mill operations at Grand Falls-Windsor.