

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 140.87 GWh at 4  
15      cents/kWh for a total cost of \$5.6 million in the 2013 Test Year.

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17      At the time of the last GRA, Exploits River Project was a non-utility generator owned  
18      by the Exploits River Hydro Partnership. In the previous GRA, 137.00 GWh, costing  
19      \$10.8 million or 7.9 cents/kWh, were included. In the current GRA, all Exploits  
20      generation assets at Grand Falls, Buchans, and Bishop's Falls, including those  
21      generation assets which served the former paper mill at Grand Falls, are owned by  
22      Government, licensed to Nalcor and operated by Hydro under an arrangement with  
23      Nalcor. Hydro is forecasting to purchase a total of 621.63 GWh at 4 cents/kWh for a  
24      total cost of \$24.9 million in the 2013 Test Year.