

1 Q. **Reference: Rates and Regulation Evidence**

2 Please provide the current forecast of electricity rate impacts for customers served
3 by the Island grid as a result of the proposed interconnection of Muskrat Falls to the
4 Island Interconnected System. The response should specifically include the
5 marginal cost of demand and energy delivered from Muskrat Falls to customers
6 served by the Island Interconnected System. (Rates and Regulation Evidence, page
7 4.7, lines 7-9)

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10 A. The final electricity rate impacts, in particular the marginal cost of demand and
11 energy delivered from Muskrat Falls will not be available until the commercial
12 arrangements between Nalcor and Hydro for the costs of electricity from Muskrat
13 Falls and for the costs of the new transmission infrastructure are finalized. In
14 addition, a marginal cost study reflecting those terms is required to determine the
15 marginal costs of demand and energy.