

- 1 Q. Further to response to Request for Information NP-NLH-118:
2 The response states *“...when the Labrador Interconnection is completed and given*
3 *the future elimination of Holyrood fuel costs with the replacement energy coming*
4 *from Muskrat Falls (a hydroelectric source), energy costs may decrease and*
5 *demand costs may increase.”*
6 In the above statement, is Lummus Consultants referring to embedded costs or
7 marginal costs? If Lummus Consultants is referring to marginal costs, please explain
8 the basis for the marginal capacity cost assumption.
9
10
11 A. Lummus Consultants was simply making a comparison of the demand and energy
12 cost relationships under existing versus prospective generation resources.