

1 Q. In its report, *Newfoundland and Labrador Hydro Response to the Liberty Consulting*  
2 *Group Interim Report of April 24, 2014*, filed with the Board, Hydro stated, at page 7  
3 of 18, that the acquisition of a 100 MW combustion turbine for installation at the  
4 Holyrood Thermal Generating Station, with a target in-service date of December,  
5 2014, as well as discussions with Industrial Customers to formalize interruptible  
6 power arrangements for the winter of 2014-2015 would provide an adequate  
7 reserve of generation supply through to when new generation will be available  
8 from Muskrat Falls. What has changed since April 2014 that would cause Hydro to  
9 enter into an agreement with Corner Brook Pulp and Paper Limited for additional  
10 capacity for each winter from 2014/2015 to 2017/2018?

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13 A. The statement referred to in Hydro's response to the Liberty Consulting Report was  
14 under the heading *Generation Planning and Winter Readiness 2014-17*. Hydro was  
15 not implying that the capacity assistance would only be required for the 2014-2015  
16 winter season but that the agreements should be in place in time for the 2014-2015  
17 winter season. The forecast load growth combined with no additional generation  
18 capacity being installed until Muskrat Falls generation is available, means that the  
19 proposed capacity assistance agreement will continue to be of benefit in ensuring  
20 system reliability for customers beyond the upcoming winter season.