Q. Do you agree that there will not be any annual fuel savings from operating these generating units post MF power in 2018.

A. Newfoundland Power does not agree with the proposition that fuel savings will not be achieved from operating its hydro generators post Muskrat Falls in 2018.

Following the interconnection of Muskrat Falls with the Island Interconnected System there will continue to be thermal generation operating and in standby mode. For the initial years following interconnection the Holyrood Thermal Generating Station will be in standby mode. Newfoundland and Labrador Hydro will continue to operate its gas turbines at Hardwoods and Stephenville, along with the new 100 MW gas turbine at Holyrood. There are also additional combustion turbines identified to be added to the Island Interconnected System commencing in the 2030 timeframe.[1] All of these generators will consume fossil fuel while operating.

Maintaining Newfoundland Power's 97.5 MW of capacity and 430.5 GWH of energy will reduce the requirement to operate Hydro's thermal generation consuming expensive fossil fuels.

[1] The requirement for additional combustion turbine capacity is included in Figure 1 on page 13 of the Manitoba Hydro International *Review of the Muskrat Falls and Labrador Island HVdc Link*, October 2012 filed as Appendix D of Hydro's Installation of 100 MW CT Generation – Holyrood application.