

1 Q. Reference: *Purchase 12MW of Diesel Generation (Revised)*, Page 15, Lines 2-3.

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3 *“These would be applied as a reduction to the purchase price under the agreement*
4 *with the supplier in the amount of \$1.3 million.”*

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6 In the response to Request for Information NP-NLH-028 of the original application,
7 page 2 of 2, Hydro states that the 80% credit applied against purchase is
8 \$4,608,000. Please explain the difference in the credit amounts of \$4.6 million and
9 \$1.3 million.

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12 A. The Request for Information NP-NLH-028 of the original application related to the
13 total purchase of the diesel units. The purchase price of the diesel units have been
14 reduced by 80% of the value of all payments from January 2014 until the forecast
15 purchase date of April 2016. It is noted that NP-NLH-028 should have indicated \$3.4
16 million instead of \$4.6 million. For comparison purposes the total payments applied
17 to the purchase of the six diesel units from January 2014 to April 2016 is forecast to
18 be \$3.6 million.

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20 The proposed deferral of \$1.3 million relates specifically to the reduction in the
21 purchase price under the lease agreement from the period of July 2015 to April
22 2016. Please refer to DG-NP-NLH-009 for the proposed treatment of deferred lease
23 payments from the date of January 2014 to July 2015.