

1 Q. On p. 58 of Exhibit 101, it is stated that Navigant understands that Nalcor will be
2 undertaking further work to further define the factors affecting the power purchase
3 price for Muskrat Falls Energy and the "*degree of volumetric flexibility*". Specifically,
4 what work is Nalcor undertaking on this issue and what does "*degree of volumetric*
5 *flexibility*" mean in this context?
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8 A. As indicated in Nalcor's response to PUB-Nalcor-50, the terms of the PPA between
9 Nalcor and NLH have not been established and will be finalized for DG3. For the
10 purposes of DG2 analysis (and consistent with the Terms of Reference for the
11 Board's Review), Nalcor has assumed that all costs associated with the
12 development of Muskrat Falls and the Labrador Island Transmission Link will be
13 recovered from Island Interconnected customers. Nalcor has also completed a
14 variety of sensitivity analyses to determine the effects of changing energy
15 requirements on the CPW analysis.
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17 Nalcor is considering export opportunities, including arrangements with Emera,
18 which would provide a level of flexibility in sales volumes to NLH by providing a
19 means to monetize energy that might not be required by NLH.