

1 Q. On page 6 of the Report Hydro states that 60 MW of interruptible is acceptable for  
2 the Base Case from a capacity planning perspective. In its response, dated May 2,  
3 2014, to the Liberty Consulting Group Interim Report, Hydro on page 10 stated that:

4 *“Hydro agrees that current generation planning assumptions*  
5 *may result in generation reserve margins that are too low, and*  
6 *that measures need to be taken to ensure a more robust reserve*  
7 *margin during the period leading up to the in-service of Muskrat*  
8 *Falls. However, Hydro feels that maintaining the current LOLH*  
9 *criterion of 2.8 hours and more closely evaluating low*  
10 *probability/high impact scenarios through the use of more*  
11 *conservative assumptions related to generation reliability and*  
12 *extreme weather, is a more practical approach to generation*  
13 *planning in the interim period leading up to Muskrat Falls”.*

14 What scenario presented in Table 2 on page 5 reflects, in Hydro’s opinion, the most  
15 appropriate scenario to be considered in assessing the Application?

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18 A. In Hydro’s opinion, based on the results of the sensitivity analysis completed in  
19 support of the application, the most appropriate scenario to be considered in  
20 assessing the Application, from the scenarios presented in Table 2 on page 5, is the  
21 last scenario in the table, **Base & Increased Demand & Reduced Reliability**.