

1 Q. Re: GRK-NLH-31, MF PPA

2 Citation 1 (PPA, p. 64 of 76):

3 **15.2 Allocation of MF Plant Output**

4 If the MF Plant is unable because of a Forgivable Event to generate Energy and  
5 Capacity at the MF Plant Capacity in any hour during which Energy has been  
6 Scheduled by NLH for delivery pursuant to this Agreement, then to the extent the MF  
7 Plant is able to generate any Energy and Capacity during such hour, Muskrat shall  
8 allocate the available Energy output from the MF Plant on the basis of the following  
9 priorities:

10 (a) Energy deliveries in respect of all non-firm or interruptible sales from the  
11 MF Plant shall be curtailed first; and

12 (b) to the extent that the Curtailments described in Section 15.2(a) are  
13 insufficient to resolve a shortage in available Energy or Capacity, deliveries in  
14 respect of all firm or non-interruptible sales from the MF Plant, including those  
15 in respect of the Commissioning Period Energy, Base Block Energy,  
16 Supplemental Block Energy, the NS Block and Contracted Commitments, shall  
17 be curtailed next on a pro-rata basis, based on the scheduled delivery at the  
18 time of Curtailment for all subsequent hours.

19 Citation 2 (PPA, p. 4 of 76):

20 “**Contracted Commitments**” means firm commitments by or on behalf of Muskrat as  
21 permitted by this Agreement to sell Energy and Capacity in External Markets under  
22 contracts for prescribed amounts of such Energy and Capacity for fixed durations, and  
23 includes the NS Block;

24 Please confirm that, in the event of the inability of the MF Plant to meet all of its  
25 firm or non-interruptible sales, its available capacity and energy will be shared, on a  
26 pro rata basis, between Hydro’s Native Load on the Island, Nalcor’s commitments

1 to Nova Scotia under the Maritime Link Agreement, and also to any additional firm  
2 commitments that may have been made by Muskrat Falls in the meantime.

3

4

5 A. Currently, it is anticipated that the only firm loads served by Muskrat Falls will be  
6 Hydro's native load and the Nova Scotia Block commitment. In the event that the  
7 Muskrat Falls plant is unable to meet its firm commitments, the available capacity  
8 will be shared on a pro rata basis.