Q. **Re: PUB-NLH-217**

If a complete LIL outage were to occur and Hydro had to secure 300 MW of imports over the Maritime Link at market rates, please describe the costs it would be likely to occur.

Would Nalcor be under any obligation to cover these costs, given section 3.1(c) of the Muskrat Falls PPA?

A. The cost to secure 300 MW of imports would vary with market conditions but would likely include the actual market cost of the energy at the time plus the applicable transmission tariffs and fees to transmit the energy from the point of purchase to the terminals of the Maritime Link at Woodbine, Nova Scotia.

Nalcor would not be under any obligation to cover these costs. However, the energy not delivered because of a Labrador-Island Link outage can be held in the Deferred Energy account and scheduled for delivery at a later date.