

1 Q. **Re: GRK-NLH-021 (Rev. 1)**

2 **Citation (GRK-NLH-021 (Rev. 1)):**

3 If Nalcor's interpretation of the renewal of the Churchill Falls Contract is not upheld,
4 then depending on the finding of the court and the response by Hydro Quebec to
5 such finding, the manner in which water will flow down the Churchill River from the
6 Churchill Falls plant and thus the timing of when energy is produced at Muskrat
7 Falls could be impacted. It could therefore impact the degree which Hydro can
8 influence the timing of delivery of energy to the Island Interconnected System to
9 maximize the efficient use of the water resources it has control over. This would not
10 impact system reliability but could impact how Hydro utilizes the resources
11 available to it at any given time to meet system requirements. Hydro would
12 evaluate the circumstances arising at the relevant time and run its system
13 accordingly. Please refer to Hydro's response to GRK-NLH-044 for options available
14 to Hydro. (underlining added)

15 **Citation 2 (Order P.U. 3 (2014), Schedule A (Investigation and Hearing Issues),**
16 **page 2**

17 **II. FINAL REPORT**

18 ...

19 **2. Evaluation of Island interconnected system adequacy and reliability up to and**
20 **after the interconnection with the Muskrat Falls generating facility**

21 ...

- 22 • **Back-up generation and/or alternative supply requirements after**
- 23 **interconnection**
- 24 • **Other system planning, capital and operational issues which may impact**
- 25 **system adequacy and reliability before and after interconnection**

1 Preamble: The underlined passage in Citation 1 appears to suggest that Hydro sees
2 no need to determine in advance the degree to which an adverse court ruling might
3 affect its ability to have its production schedules met.

4 Please confirm or correct the statement in the Preamble, taking into account the
5 issues to be addressed in this proceeding as indicated in Citation 2.

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8 A. As stated in Hydro's response to GRK-NLH-021 (Revision 1, Jan 14-15) noted in the
9 citation above, if Nalcor's interpretation of the renewal of the Churchill Falls
10 contract is not upheld then "depending on the finding of the Court and the
11 response by Hydro Quebec to such finding", the manner in which water will flow
12 down the Churchill River from the Churchill Falls plant and thus the timing of when
13 energy is produced at Muskrat Falls "could be impacted". Further as noted in that
14 response, "this would not impact system reliability". Hydro does not believe it is
15 relevant or appropriate to evaluate hypothetical potential adverse findings of the
16 Court or the response by Hydro Quebec to such findings, not does it believe such an
17 exercise would inform the matter before the Board.

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19 With respect to options available to Hydro, see Hydro's responses to GRK-NLH-044
20 and GRK-NLH-104.