

1 Q. Re: GRK-NLH-021 rev. 1, GRK-NLH-022

2 Citation 1 (GRK-NLH-021 rev. 1):

3 If Nalcor's interpretation of the renewal of the Churchill Falls Contract is
4 not upheld, then depending on the finding of the court and the response
5 by Hydro Quebec to such finding, the manner in which water will flow
6 down the Churchill River from the Churchill Falls plant and thus the timing
7 of when energy is produced at Muskrat Falls could be impacted. It could
8 therefore impact the degree which Hydro can influence the timing of
9 delivery of energy to the Island Interconnected System ...

10 Citation 2 (GRK-NLH-022):

11 The overall power available from Muskrat Falls is unaffected by a different
12 interpretation of the power contract renewal in 2016.

13 Citation 3 (Nalcor Water Management Application, p. 12)

14 A water management agreement is required to provide the mechanisms of
15 coordinated production. The operation of the agreement will ensure the
16 efficient use of water on the river system by ensuring that water is available to
17 meet all producers' requirements, while maximizing the energy produced from
18 the water resource.

19 Uncoordinated production among the Churchill River facilities could result
20 in either excessive or insufficient water at the lower Churchill facilities.

21 Excessive water will result in spill. Insufficient water to meet delivery
22 schedules will result in excessive drawdown. Either case represents
23 inefficient use of the available water.

24 Please reconcile Citations 1 and 2 with the underlined passage in Citation 3.

25 More specifically, could a change that affects "the timing when energy is
26 produced at Muskrat Falls" result in spills?

1 **If so, please explain how a change in "the timing when energy is produced at**
2 **Muskrat Falls" that results in spills would not affect "the overall power available**
3 **from Muskrat Falls".**

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6 A. Production at Muskrat Falls has already been forecasted on the basis of continuous
7 energy production at Churchill Falls. This represents a scenario with the greatest
8 flows in the Churchill River during the spring freshet and the greatest spill at
9 Muskrat Falls.