

1 Q. (CA-NLH-193) The question asks for a forecast of the amount of money that is
2 expected to accumulate in the proposed Off-Island Purchases Deferral Account in
3 2018, 2019 and 2020 including off-island purchases over the Maritime Link. More
4 specifically, the question requests: *“Please show separately an estimate of savings*
5 *from purchases over the Maritime Link based on a forecast of energy costs in the*
6 *New England Power Pool and/or the New York Power Pool; i.e., marginal costs were*
7 *determined based on a blend of New England ISO and New York – Zone A (CA-NLH-*
8 *81).”* The response does not include the requested forecast, apparently because
9 Nalcor Energy Marketing is in confidential negotiations. The two issues are mutually
10 exclusive - a response to the RFI does not require Hydro to divulge confidential
11 information. It requests Hydro to provide a forecast based on publicly available
12 information using a methodology similar to that used to estimate the marginal costs
13 provided in CA-NLH-81. We are also open to a forecast based on an alternative
14 methodology if Hydro deems appropriate. We understand that this is forecast only,
15 and that funds that accumulate in the proposed deferral account would be based
16 on the actual costs of off-island purchases. It is important that the Parties and the
17 Board have an understanding of the magnitude of the balance expected to
18 accumulate in the proposed deferral account; otherwise, Hydro is requesting that
19 the Board approve a blank check. Please provide the information requested in CA-
20 NLH-193.

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23 A. As stated in Hydro’s response to CA-NLH-065, Hydro is unable to provide the details
24 regarding forecast energy purchases over the Maritime Link (ML) as confidential
25 negotiations are currently ongoing. If Hydro were to disclose the amount of energy
26 it anticipates to purchase over the ML, this information could influence the market
27 and the price paid by Hydro when such purchases occur.

- 1 Should Hydro be successful in entering a commercial arrangement for off-island
- 2 energy purchases, it will inform the Board at that time.