

- 1 Q. With reference to Exhibit 3, Tables 2 and 8, please provide average purchase cost per kW.h for  
 2 Other Off-Island Purchases in 2018 and 2019 for the Compliance Filing compared to the average  
 3 purchase costs in Hydro’s October 2018 filing. Please explain any differences.  
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 6 A. Please refer to Table 1 for the average purchase cost per kWh for Other Off-Island Purchases in  
 7 2018 and 2019 for the 2017 GRA Compliance Application as compared with the October 2018  
 8 Filing.<sup>1</sup> Purchase prices are based on market factors and, as such, can vary from forecast to  
 9 forecast.

**Table 1: Average Purchase Price of Other Off-Island Purchases**

Particulars	2018		2019	
	October 2018 Filing	2017 GRA Compliance Application	October 2018 Filing	2017 GRA Compliance Application
Other Off-Island Purchases (\$ millions)	7.3	5.0	4.6	13.5
Other Off-Island Energy (GWh)	83.0	56.0	49.0	141.0
<b>Average Purchase Price (cents/kWh)</b>	<b>8.8</b>	<b>9.0</b>	<b>9.4</b>	<b>9.6</b>

10 Newfoundland and Labrador Hydro’s 2017 GRA Compliance Application forecast cost of Other  
 11 Off-Island Purchases is based on the spread between alternative fuel sources adjusted for  
 12 losses, environmental adders, and generation efficiency. The 2017 GRA Compliance Application  
 13 reflects an updated forecast of these market forces.

<sup>1</sup> “2018 Cost Deferral and Interim Rates Application,” (Rev. 2) November 14, 2018 (originally filed October 26, 2018), (“October 2018 Filing”).