

1 Q. Reference: 2018 Cost of Service Methodology Review Report, Appendix A, Cost of Service  
2 Methodology Review, Christensen Associates Energy Consulting (CAEC), Nov. 15, 2018,  
3 page 13 (69 pdf)

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5 Citation:

6 **Discussion/Analysis.** The composition of Hydro’s generation assets and expenses  
7 will change significantly after 2020, with the introduction of Muskrat Falls’ 824 MW  
8 of new installed hydraulic capacity (790 MW of firm capacity), linked to the Island  
9 and to the Eastern Interconnection by undersea dc lines. The addition of Muskrat  
10 Falls to the Hydro system facilitates the eventual retirement of the Holyrood  
11 thermal generation unit.

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13 Please indicate the source for the affirmation that Muskrat Falls will provide 790 MW of  
14 firm capacity.

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17 A. The projected firm capacity of the Muskrat Falls Generating Station was discussed in  
18 Section 4.2.2.3 of Newfoundland and Labrador Hydro’s “Reliability and Resource Adequacy  
19 Study”.<sup>1</sup> That report proposed that, until further operating data is obtained for the facility,  
20 the winter maximum output of 790 MW derived from the predicted tailwater curves be  
21 used in planning studies. Please refer to section 4.2.2.3 of that report for additional  
22 information pertaining to the estimation of firm capacity.

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<sup>1</sup> Volume I: Study Methodology and Proposed Planning Criteria, “Reliability and Resource Adequacy Study”, November 16, 2018, p.33, section 4.2.2.3.