

1 Q. Please confirm that the maximum capacity available during the summer months is 50 MW.
2 Please explain why the fixed fee of \$7.2 million is based on 90 MW if only 50 MW is available for
3 four months of the year.

4

5

6 A. Newfoundland and Labrador Hydro confirms that the maximum capacity available during the
7 six-month, non-winter period (May 1 to October 31) is 50 MW.

8 The commercial terms of the contract call for fixed monthly payments to cover varying
9 quantities of capacity, including 90 MW during peak load months and 50 MW during off-peak
10 months. Monthly charges under the contract total \$7,200,000, or \$80 per kW per year stated
11 according to the availability of 90 MW during winter months. However, taking account of the
12 reduced availability of capacity by Corner Brook Pulp and Paper Limited (“CBPP”) during off-
13 peak capacity, the \$ per kW charges may be somewhat greater. It is appropriate to state the
14 \$ per kW per year value according to availability during peak load months, since CBPP’s capacity
15 is most valuable to the Island Interconnected System during the winter peak loads.