

1 Q. **Reference: NP-NLH-067, Issue Topic: Rate Mitigation.**

2 Please clarify how energy related to “The ability to defer unused energy for future customer
3 load requirements” is currently being used, and forecast to be used.

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6 A. Please refer to Newfoundland and Labrador Hydro’s (“Hydro”) response to part d) of
7 IIC-NLH-015 of this proceeding for circumstances in which Hydro would not monetize the entire
8 Deferred Energy balance each year. To date, Hydro has not been in a situation where it has
9 deferred unused Muskrat Falls energy for the purpose of meeting future customer load
10 requirements. Theoretically, Hydro could elect not to monetize all available Deferred Energy if it
11 forecasted that its energy requirements in a particular year would exceed the combination of
12 Base Block and Supplemental Energy and Hydro’s other sources of supply, and it wished to
13 preserve Deferred Energy for future use to service customers. However, Deferred Energy is the
14 last source of energy supplied under the Muskrat Falls Power Purchase Agreement, and Hydro
15 does not currently expect to require its full Base Block entitlement in the near term. Assuming
16 sufficient Residual Block sales are available to support payment by Muskrat Falls, Hydro expects
17 to continue monetizing its Deferred Energy balance on an annual basis.