

- 1 **Q. (page 2-15, Footnote 43) Will marginal energy costs not in fact decrease prior to**
2 **2020 as a result of off-island purchases over the LIL and NL transmission displacing**
3 **Holyrood production?**
4
- 5 A. Marginal costs on the Island Interconnected System are expected to decrease following
6 the interconnection to the North American grid in 2018. The marginal cost outlook on
7 the Island Interconnected System is currently uncertain and is expected to be reviewed
8 during Newfoundland and Labrador Hydro's cost of service methodology review
9 scheduled to be filed in 2018. See the response to Request for Information CA-NP-029
10 for additional information relating to the marginal cost outlook.