Some Questions for NLH Related to the MOU

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Some Questions for NHL, HQ, &GNL

- The general understanding is that CF electricity is about **15%** of HQ's total available electricity.
    - Is this true?
    - For each month since January 2015, what amount of electricity has CF(L)Co sold to HQ, and for how much?
- When HQ reported that the cost of imported power for the first half of 2025 at five cents per kWh, did that include the low-cost electricity from CF? HQ would know the details.
- Which other provinces does HQ import power from? How much for each month and what does HQ pay for the power?
- What is the AC of power from CF? How has the AC changed over the past 20 years?
- What are the transmission costs per MWh for CF power going to the NE grid and to the NY grid?

- Does HQ own part of the transmission system in NY and NE through which this power is transferred to the wholesale markets in NE and NY? If so, what are the transmission costs per MWh?
- Has drought affected the water levels of the Smallwood Reservoir?
- How will the proposed generating projects in the MOU affect the volume of water in the Smallwood Reservoir?
- Does the cost of producing power at CF increase during those months when more power is produced? (Economist speak for estimates of **marginal costs)**
- What are CF(L)Co's estimates of depreciation and maintenance costs for the existing plant at CF (no upgrades) for each year in the period 2025-2071?

- Are there outstanding capital asset costs or debt costs associated with the existing plant at CF?
- A Quebec electricity expert noted that in 2022, about 12% of the electricity available to HQ was exported, which was close to the amount imported from CF. Is there a connection?
- HQ states in its 2025 mid-year report that sales of about 6 TWh (6 million megawatts) occurred in the first 6 months, roughly equal to the volume of purchases. Details?
- NHL informed me that water rental rates and royalties were being “modernized”. Has an agreement been reached? If yes, how were these rates determined?
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- To find the implicit rental value of water from CF, determine the average cost per MWh of electricity generated there. This aggregate cost would include capital (K), labour (L), purchased materials (M) directly needed for production, and services (S) directly required for production. Water royalties and rents would NOT be included. What are these AC for CF power? NHL has the answer.

- Walter Parsons (NHL) emphasizes that 5.9¢/kWh is the base price for determining new prices for existing power in the MOU. His original explanation of how this price was determined has changed. Where does this price come from? The GNL seems to suggest that it is tied to electricity prices in the New England and New York markets. Is it?

- What is the life-expectancy of the CF dam, knowing that the normal range is 50-100 years?
- In its third **Quarterly Bulletin, Third Quarter 2025,** Hydro-Quebec states that it manages “its large reservoirs prudently and dynamically” p.3. What does this mean in terms of hydroelectric generation? How is this management approach applied to the Smallwood Reservoir?