

1.0 Reference: Report – Page 10, 11, Table 3, Table 6, Table 8, Appendix H – Page 13, 14, 15; Appendix J; Appendix L;

Explanation: The assumed Energy Margin and resulting generation load factor are a significant factor in determining the forecast net portfolio cost and the net present value of the incremental cash flows of the various planning scenarios set out in Table 6 and in the Cost Effectiveness Analysis. In order to evaluate the reasonableness of the assumed Energy Margin, information is required on gas prices, electricity prices, gas transportation, variable O&M costs and system gas, electricity transmission costs and the calculation of the Energy Margin.

1.1.0(o) If the Duke Point Plant is unable to maintain a 97% reliability, is Pristine Power:

- (i) In breach of the contract, or
- (ii) Subject to defined payments?

RESPONSE:

If the Seller fails to achieve monthly availability of 97%, calculated in accordance with s. 3.5 of Appendix 3 of the EPA, the Seller will be subject to an Availability Adjustment that is equal to \$250/MW x Demonstrated Capacity, for every percentage point of availability shortfall below 97%. Poor availability during a prolonged period of time may also trigger termination (Definition 129 of Appendix 1 of the EPA).