

1 Q. (Reference response to CA-NLH-50) Please confirm that the LIL/LTA transmission
2 costs of \$27.3 million in 2018 and \$52.9 million in 2019 will be incurred to transport
3 purchases costing \$1.016 million in 2018 and \$1.68 million in 2019. Please translate
4 these transmission costs into a cents/kWh charge and compare it to the total cost
5 of network transmission on the Island Interconnected System in \$millions and
6 cents/kWh (based on energy delivered by the network transmission system) for
7 both 2018 and 2019. Does Hydro consider the LIL/LTA transmission cost to be
8 reasonable considering that it recovers only O&M and none of the capital cost of
9 the transmission (see PUB-NLH-18)?

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12 A. It is forecast that the Labrador-Island Link (LIL) and the Labrador Transmission
13 Assets (LTA) transmission costs of \$27.3 million in 2018 and \$52.9 million in 2019
14 will be incurred to transport Recapture Energy purchases costing \$1.016 million in
15 2018 and \$1.68 million in 2019. However, there may also be additional off-island
16 purchases from other jurisdictions that the transmission assets will deliver to the
17 Island.

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19 Table 1 provides the forecast LIL and LTA transmission costs expressed in cents per
20 kWh for 2018 and 2019.

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Table 1 LIL and LTA Transmission Costs

	2018	2019
Transmission Costs (\$)	27,300,000	52,900,000
Delivered Energy (kWh)	388,146,320	918,827,880
Transmission Costs (cents/kWh)	7.033	5.757

1 Table 2 provides the forecast Island Interconnected System transmission costs
 2 expressed in cents per kWh for 2018 and 2019.

Table 2 Island Interconnected System

	2018	2019
Transmission Revenue Requirement (\$)	58,476,081	62,900,713
Load Island (kWh)	7,006,583,118	7,027,692,529
Transmission Costs (cents/kwh)	0.835	0.895

3 Hydro is currently reviewing the forecast operating and maintenance costs for LIL
 4 and LTA. The proposed deferral account will use the actual operating and
 5 maintenance costs for LIL and LTA in computing its balances.