

1 Q. (Expert Evidence – JT Browne Consulting, page 5) It is stated that the Off-Island
2 Purchases Deferral Account would include “*Actual cost of Off-Island Purchases*
3 *including the cost of using the LTA and the LIL*”. Is it proposed that the Off-Island
4 Purchases Deferral Account include the cost of using the LTA and LIL, as well as any
5 other transmission costs associated with the delivery of off-island purchases? If so,
6 1) will the deferral account also include an offset to account for transmission costs
7 that Island customers are already paying in rates based on a cost of service scenario
8 that assumes the energy would be produced at Holyrood, and 2) how would such
9 costs be accounted for in the deferral account to guard against double counting? If
10 not, is Hydro proposing to keep any additional transmission revenues, and if so,
11 explain how this is consistent with an open access regime and established
12 regulatory principles.

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15 A. 1) As indicated in Schedule 6-I, page 1 of 1, Hydro’s proposed Off-Island Purchases
16 Deferral Account will include amounts paid by Hydro for the use of the
17 Labrador-Island Link and the Labrador Transmission Assets, including
18 transmission tariffs associated with those assets and delivery costs of off-island
19 purchases.¹ The Off-Island Purchases Deferral Account will not include any
20 offset for transmission costs that island customers are already paying in rates.
21 As such, no “double counting” will occur.

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23 2) Please refer to Hydro’s response to CA-NLH-175.

¹ Schedule 6-I, items G and H.