

1 Q. **Wind Power Cost Allocation**

2 References:

3 (i) NLH 2017 GRA, Evidence, chapter 5, page 5.12

4 (i) « **5.3.4 Classification of Purchases 1 of Wind Generation**

5 *Hydro purchases wind generation from the wind farms at St. Lawrence (27*  
6 *MW) and Fermeuse (27 MW), which began commercial operation in fall of*  
7 *2008 and spring of 2009, respectively. In the 2013 Amended GRA, the*  
8 *Settlement Agreement provided for the purchase cost of wind generation*  
9 *to be classified as 100% energy-related.*

10 *Wind generation on the Island Interconnected System was initially cost-*  
11 *justified on the basis of reduced production at Holyrood.»*

12 Please confirm that no wind generation costs are allocated to the Labrador  
13 Industrial Transmission rate?

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16 A. Hydro confirms that no wind generation costs are included in determining the  
17 demand costs to be recovered through the Labrador Industrial Transmission  
18 demand rate.