

1 Q. LAB-NLH-80 Re: NLSO, Methodology for the Development of Rates for  
2 Transmission Service (Section F of NLSO Application), pages 22 and 23 of 37,  
3 Tables 4 and 5; P.U. 3(2018), Schedule 9

4 Preamble:

5 Table 4 of Section F indicates a NLSO revenue requirement of \$44.4 million for  
6 Network Integration Transmission Service during the pre-LIL/LTA period.

7 Table 5 of Section F indicates a NLSO revenue requirement of \$96.8 million for  
8 Network Integration Transmission Service during the post-LIL/LTA period.

9 Schedule 9 of P.U. 3(2018) indicates that the rate charged for Network Integration  
10 Transmission Service (NITS) is \$3,253.42/MW of Reserved Capacity per month.

11

12 a) Please confirm that the NLSO revenue requirement for Network Integration  
13 Transmission Service will be covered by the NITS rate paid by NLH for  
14 transmission service to service its native load customers. If this is not the case,  
15 please explain what entity or entities will be responsible for meeting the  
16 revenue requirement allocated to NITS;

17 b) Please confirm that the rate set out in Schedule 9 (“the NITS rate”) represents  
18 the amounts to be paid by NLH to NLSO for transmission service for its Native  
19 Load customers;

20 c) Please estimate the annual cost to NLH of the NITS rate in 2018TY and in  
21 2019TY;

22 d) Please explain how the payments made under NITS rate will be allocated among  
23 the various systems administered by NLH;

1 e) Please clarify if transmission service to Newfoundland Power is included in the  
2 NITS rate; and

3 f) Please indicate where in the Additional Cost of Service Information for the  
4 Deferral Account Scenario and/or the Expected Supply Scenario the amounts to  
5 be paid to NLSO for Network Integration Transmission Service are found or, if  
6 they are not included therein, why not.

7

8 A. a-f) The approval of the transmission tariffs in Board Order No. P.U. 3(2018) did not  
9 result in a change in Hydro's Test Year revenue requirements, in total or by system,  
10 from its customers. Please refer to Hydro's response to CA-NLH-265 which provides  
11 clarification on why the approval of transmission tariffs has not impacted Hydro's  
12 proposed Test Year revenue requirements or its proposed rates to its native load  
13 customers.