

1 Q. **Re: Letter from NLH to Board dated November 30, 2018, page 3**

2 Citation:

3 The data shows that while transmission system capacity remains at 77 MW at the
4 25 kV bus in the Happy Valley Terminal Station, the current coincident peak load
5 forecast is above the transmission system capacity.

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7 a) Please confirm that, without taking into consideration the temporary 5.5 MW
8 interruptible contract with Labrador Lynx Ltd., Hydro's existing customer base
9 would have a coincident peak load forecast for winter 2018-2019 that is above
10 the transmission system capacity of 77 MW.

11 b) Please explain how it came about that Hydro has accepted service requests with
12 peak loads greater than the amounts it is capable of serving reliably with
13 existing infrastructure.

14 c) Is it good utility practice to accept service requests resulting in peak loads
15 greater than the amounts the utility is capable of serving reliably with existing
16 infrastructure? Please provide references in support of your response.

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19 A.

20 a) It is confirmed. Please refer to Newfoundland and Labrador Hydro's ("Hydro")
21 response to LAB-NLH-036(b)(ii).

22

23 b) Hydro has an obligation to serve and accepted the service request based on
24 putting forward the Muskrat Falls to Happy Valley Interconnection project
25 which was the least-cost means to both improve system reliability and increase
26 system capacity, allowing Hydro to fulfil its statutory obligation to supply
27 electrical energy to customers.

2018 Capital Budget Application – Muskrat Falls to Happy Valley Interconnection Project

1 c) Hydro has a statutory obligation to supply electrical energy under the *Public*
2 *Utilities Act* (the “*Act*”). Hydro therefore proceeded with confirming the
3 application and submitting the required capital upgrade in the 2018 Capital
4 Budget Application. Under the proposal, completion of the planned capital
5 upgrades would have coincided with the service requirement, thereby allowing
6 Hydro to fulfill its obligation under the *Act*.