

1 Q. **Reference: Labrador Expansion Study, pages 22 (pdf 30)**

2 Citation:

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4 Since the power delivered to the Labrador East System will flow through the two,
5 315 kV lines under this scenario ...

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7 Please explain how the costs to the Labrador Integrated System of using these 315 kV lines
8 would normally be calculated, if such charges were allowed under provincial laws and
9 regulations. Please quantify your response.

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12 A. If a portion of the costs of the Labrador Transmission Assets were allowed to be recovered
13 from customers on the Labrador Interconnected System, the approach to allocate the costs
14 would be determined through a cost of service regulatory process with the cost allocation
15 method to be approved by the Board of Commissioners of Public Utilities. Newfoundland
16 and Labrador Hydro has not conducted a review on what approach it would recommend in
17 such a circumstance as legislation prohibits the inclusion of these costs in determining
18 electricity rates for customers on the Labrador Interconnected System.