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- 1 Q. **Reference page 5, lines 22-25, *Network Additions Policy Review***
- 2 a. Explain how to calculate the benefits that accrue to a customer by new transmission
- 3 investments that are common and not dedicated to any particular customer.
- 4 b. Provide any citation to the economic or cost of service literature that supports the answer
- 5 to above.
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- 8 A. a. The reliability impacts resulting from the addition of new transmission investments are used
- 9 as the measure of benefits to existing customers. The reliability impact is quantified in terms of
- 10 expected unserved energy (“EUE”), which is a measure of the amount of customer demand not
- 11 served due to capacity shortfalls. The procedure used to determine the EUE is presented in
- 12 section 2.2.3 of Appendix B to the “Labrador Interconnected System - Network Additions
- 13 Policy.”¹
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- 15 b. Please refer to Newfoundland and Labrador Hydro’s response to PUB-NLH-059, filed as part
- 16 of this proceeding, which includes a description of the manner in which the use of EUE is
- 17 referenced by the North American Electric Reliability Corporation in its “Probabilistic Adequacy
- 18 and Measures Technical Reference Report.”²

¹ Filed as part of the “Labrador Interconnected System Network Additions Policy Summary Report,” on December 14, 2018.

² “Probabilistic Adequacy Measures Technical Reference Report,” North American Electric Reliability Corporation, April 2018, at p. 22. < https://www.nerc.com/comm/PC/Documents/2.d_Probabilistic_Adequacy_and_Measures_Report_Final.pdf>