

1 Q. **Reference: Schedule 1 – Long-Term Supply for Southern Labrador – Phase 1**

2 Figure 2, page 9 graphs the incremental revenue requirements for the Interconnection vs. Status  
3 Quo.

4 a) Please confirm whether “Status Quo” represents Alternative 1 or if it is the current  
5 operating system in the four communities.

6 b) If the “Status Quo” is the current system, please prepare a similar graph showing the  
7 incremental revenue requirements for the interconnection to Alternative 1, and if  
8 “Status Quo” is Alternative 1, please prepare a similar graph showing the incremental  
9 revenue requirements for the interconnection to the current operating system.

10 c) Please update the rate impacts in Table 1, page 9 for the scenarios noted above.

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13 A. a) Alternative 1 consists of the continued operation of the mobile gensets (with capital  
14 investment necessary to address safety, reliability, environmental, and operating cost  
15 concerns) to supply power to the Charlottetown area. The other communities of Port Hope  
16 Simpson, Mary’s Harbour, and St. Lewis would be unchanged and would continue to operate  
17 as isolated systems. This is the alternative that best reflects the current system and is  
18 therefore considered the “status quo.”

19 b) Continued operation of the mobile gensets in Charlottetown without capital investment to  
20 address the deficiencies identified in Newfoundland and Labrador Hydro’s (“Hydro”) application<sup>1</sup>  
21 was not considered a technically viable option and detailed cost estimates were  
22 not developed.

23 The incremental revenue requirements presented in the graph comparing Alternative 3A to  
24 Alternative 1 represents the “status quo” which is the current system with capital

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<sup>1</sup> “Long-Term Supply for Southern Labrador – Phase 1,” Newfoundland and Labrador Hydro, July 16, 2021, sch. 1, att. 1, sec. 3.2.

- 1 investment to address the deficiencies necessary to continue the operation of mobile
- 2 gensets as a permanent source of power.
- 3 c) Please refer to Hydro's response to part b).