

1 **Q. Reference: Power Sales – General**

2 How much is paid for transmission line charges and to whom? How are these calculated? Are
3 these costs fixed regardless of usage? How often and in what manner can those charges be
4 varied? What are the charges for the use of the transmission lines providing access to the New
5 York and New England markets and how are they determined? Is any transmission capacity sold
6 to other entities? If so, please provide specifics with respect to amounts sold and gross and net
7 revenue derived therefrom.

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10 A. There are two different transmission paths considered in the non-firm rate application: (i) the
11 New York market, and (ii) the New England market.

12 **1. New York Market**

13 Newfoundland and Labrador Hydro (“Hydro”) has 250 MW of firm long-term transmission
14 through Québec. This transmission was acquired from Hydro-Québec TransÉnergie (“HQT”);
15 Hydro pays Hydro-Québec for these transmission rights. Hydro’s long-term rights for HQT
16 transmission are up for renewal in April 2024. HQT transmission is not included in the marginal
17 cost for the New York market price, as it is considered a fixed cost. The cost of HQT transmission
18 and any changes are determined by HQT and the Régie de l’énergie, typically on an annual basis.

19 **2. New England Market**

20 The marginal cost of power as proposed in the formula for the New England market includes the
21 Nova Scotia System Operator (“NSSO”) transmission costs of \$7.70/MWh and New Brunswick
22 System Operator (“NBSO”) transmission costs of \$3.58/MWh. The costs and any changes in
23 costs for NSSO transmission are calculated and approved rates from the NSSO and the Nova
24 Scotia Utility and Review Board. The costs and any changes in costs for NBSO transmission are
25 calculated and determined by NBSO and the New Brunswick Utility and Review Board. Hydro
26 projects to pay the posted tariff for transmission through Nova Scotia and New Brunswick on a

1 pay-per-use basis, so the costs can vary. The cost of NSSO and NBSO transmission are
2 considered marginal and included in determining the price for the New England market.

3 Transmission costs are updated as they are filed and approved by the applicable transmission
4 providers and utility boards.

5 Nalcor Energy Marketing Corporation has sold some short-term excess HQT transmission;
6 however, sale opportunities are limited. As a result of the inconsistency in sales, HQT
7 transmission sales are not relied upon and are not forecasted.