

1 **Q. Reference: November 30, 2022, Hydro Presentation**

2 **LIS Non-Firm Rate & Pricing**

3 With respect to slide 21:

4 **a) Is all of the non-firm load power still available?**

5 **i.** Has any been allocated to any customers? If so, provide a breakdown of the
6 customers, the amount of power made available to them, the date when such
7 power was provided and the specifics of any contracts including the rate and
8 duration.

9 **ii.** Is the rate charged one currently approved by the PUB? If so, which one? Does
10 Hydro propose to continue invoicing the existing rate or the new non-firm power
11 rate if approved?

12 **iii.** Is Hydro's rate for such power based on the net value of export power? If not, why
13 not?

14 **b) What is the anticipated usage of non-firm power in Western Labrador? How much is**
15 **forecast to be available to be sold as export power?**

16 **c) If not answered in response to previous questions, has any surplus available power in**
17 **Western Labrador been sold since January 1, 2018? If so, provide an accounting of the**
18 **quantity of External Power Sales of the non-firm energy, the prices at which it was sold,**
19 **gross revenue, and the net profit derived therefrom on an annual basis.**

20 **d) How much of the non-firm power is forecast to be used in Labrador West and Labrador**
21 **East?**

22 **e) If all the surplus power is used in Western Labrador, how will the market price be**
23 **determined and weighted between the New York and New England markets as well as**
24 **off-peak and off-peak periods as per slide 18 of the Presentation if there are no sales?**

25 **f) What has been the location, number and durations of interruptions since January 1,**
26 **2018 in Labrador and the reasons therefor?**

27

- 1 **A.** **a) i.** The proposed non-firm rate for the Labrador Interconnected System is not yet approved
2 as the regulatory proceeding is ongoing. As a result, no agreements on non-firm rates have
3 been implemented and no allocations of non-firm capacity have been finalized.
- 4 **ii.** There is no non-firm rate currently approved for the Labrador Interconnected System.
- 5 **iii.** Please refer to Newfoundland and Labrador Hydro’s (“Hydro”) response to part a), ii. of
6 this response.
- 7 **b)** Non-firm applicants in Labrador have indicated that they would like to utilize all of the non-
8 firm power that is made available to them. Deliveries of energy to Labrador East and West
9 are limited by transmission capacity, even with the addition of non-firm customers there will
10 still be periods where there is excess Recapture Energy that cannot be sold in Labrador East
11 or Labrador West due to transmission constraints. When this occurs this excess energy will
12 exported. Hydro does not have a forecast for these exports at this time. Please refer to
13 part c) of Hydro’s response to BKL-NLH-016 of this proceeding for a discussion on
14 forecasting excess energy.
- 15 **c)** Refer to Hydro’s response to BKL-NLH-024 of this proceeding. Table 1 provides a summary
16 of the Imbalance Energy (non-firm) sales in Labrador since 2018. Since all Hydro’s Industrial
17 customers are located in Labrador West, and imbalance energy is sold only to Industrial
18 customers, these sales are for Labrador West.
- 19 **d)** Hydro does not have a forecast for the amount of non-firm power as there remains
20 uncertainty on how many customers will accept non-firm service as the pricing approach
21 and terms and conditions are not approved by the Board of Commissioners of Public
22 Utilities.
- 23 **e)** The computation of the market price is not dependent upon the amount of non-firm energy
24 purchases in Labrador. Even if all Recapture Energy is sold in Labrador, there remain
25 projected exports to use in computing the net export price. As stated in Schedule 2:
- 26 The weightings applied to each market price to calculate the on-peak and off
27 peak energy charges will reflect the percentage of kWh exports sold (i.e.,

1 including exports from regulated and non-regulated Hydro) based on each
2 market for the previous calendar month.”¹

3 **f)** Please refer to Hydro’s response to part a), i. As no non-firm capacity has been allocated,
4 there has been no service to interrupt.

¹ “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, September 15, 2022, sch. 2, p. 2 of 3.