

1 **Q. Reference: Application**

2 With respect to paragraph 14, how is the proposed rate consistent with the non-firm rate
3 charged to IIC and the Labrador Imbalance Rate?

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6 A. The proposed non-firm rate for the Labrador Interconnected System uses an incremental cost
7 approach to determine the monthly price. This is consistent with the non-firm rate charged to
8 the Island Industrial customer and the Imbalance Rate charged to Labrador Industrial customers.
9 The proposed market based price for the non-firm rate will also be updated monthly consistent
10 with the Imbalance Rate.