1  Q.   Schedule 2, page 3, Clause 15 of the Terms and Conditions. Hydro states that it will maintain
2       separate regions for Labrador East and Labrador West for the purpose of allocation and
3       monitoring the use of non-firm capacity.

4       **a)**  Is it possible for the customers in the Labrador West region to receive the non-firm service
5            from the Labrador East region until the customers in Labrador East meet the requirements
6            to receive the non-firm service?

7       **b)**  Are there operational issues that would prevent power in Labrador East from being
8            transmitted to Labrador West and vice versa? If so, please explain.

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11  A.   **a)**  It is not possible for Labrador West customers to avail of Labrador East non-firm service
12            from a transmission perspective. The transmission assets that supply Labrador West and
13            Labrador East are separate systems. When Newfoundland and Labrador Hydro ("Hydro")
14            completes any analysis to determine the amount of non-firm supply available, it studies
15            these two systems independently and each are maximized independently. These
16            independent maximum amounts are presented in Schedule 1 of the application.[1] The
17            limiting factor for supplying customers with non-firm energy relates to transmission capacity
18            rather than the supply of energy. Please refer to Hydro's response NP-NLH-021 of this
19            proceeding for additional information on system constraints.

20      **b)**  Hydro purchases its supply for the Labrador Interconnected System from Churchill Falls
21            (Labrador) Corporation Limited, which is geographically located between Labrador West and
22            Labrador East; therefore, with the exception of standby generation, power is not produced
23            in Labrador East nor Labrador West. The limiting factor for supplying non-firm energy to
24            these two regions is the transmission system connecting them to the supply point (i.e.,
25            Churchill Falls Hydroelectric Generating Facility).

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[1] "Application for a Non-Firm Rate for Labrador," Newfoundland and Labrador Hydro, rev. March 29, 2023 (originally filed September 15, 2022), sch. 1, p. 3, table 1.