

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

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

3 With respect to Slide 20:

4 **a)** Is Hydro proposing to set the same rate for non-firm power for Labrador East and
5 Labrador West?

6 **b)** Is the net revenue from export sales the same for Labrador East and Labrador West?
7 How are transmission line losses calculated and accounted for?

8 **c)** What additional common transmission investments will result in additional non-firm
9 capacity being increased? What is the location, timing, cost and implementation dates
10 of such investments?

11 **d)** Is Hydro planning any capital investments besides transmission investments that will
12 increase available energy? What are the timing, cost and implementation date?

13 **e)** Are any upgrades planned for the existing turbines at Churchill Falls (the “Upgrades”)?
14 Please provide details with respect to the Upgrades planned, estimated costs, timing
15 and estimated additional capacity and energy resulting from those Upgrades. What is
16 the present plan for the sale(s) and rates to be charged for such additional energy? Will
17 any of this be available in Labrador? Will any applications be made to the PUB?

18 **f)** Are any transmission upgrades or additions planned with respect to the Churchill Falls?
19 What additional capacity, energy and/or transmission loss reductions are anticipated?

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22 **A. a)** Newfoundland and Labrador Hydro (“Hydro”) is proposing the same rate for non-firm power
23 for Labrador East and Labrador West. This is consistent with the Board of Commissioners of
24 Public Utilities’ prior decision the customers in the same rate class on the Labrador
25 Interconnected System should pay the same rates.

- 1 **b)** The forecast net export revenues used to determine the non-firm rate are not impacted by
2 whether the customer served is located in Labrador East or Labrador West. Transmission
3 losses on the Labrador Interconnected System do not impact the calculation of net export
4 revenues.
- 5 **c)** If new transmission lines are required to support an increase in firm load requirements of
6 existing customers (e.g., the iron ore mines), Hydro would need to review the amount of
7 non-firm capacity that can be made available. There is currently no certainty on if or when
8 such investments may occur.
- 9 **d)** Hydro is currently not planning any capital investments that could increase available energy.
- 10 **e)** As noted in the Non-Firm Rate Application,¹ Hydro has two contracts with Churchill Falls to
11 supply power to customers on the Labrador Interconnected System. First, Churchill Falls
12 sells up to 225 MW to Hydro for sale to Labrador West customers, with first priority given to
13 Industrial customers in Labrador West. Second, Churchill Falls sells 300 MW to Hydro for use
14 in the province, with no limitations on location of use in the province. This block can also be
15 exported; however, only for consumption outside the province of Québec. Any upgrades to
16 facilities at Churchill Falls are not expected to have an impact on these power purchase
17 agreements, and no impact on Hydro's application for a Non-Firm Rate in Labrador.
18 Additionally, pursuant to the *Churchill Falls (Labrador) Corporation Limited (Lease) Act*, sales
19 by Churchill Falls to Hydro (and those to Hydro-Québec) are exempt from the *Public Utilities*
20 *Act*.
- 21 **f)** Please refer to Hydro's response to part e) of this response and BKL-NLH-043 of this
22 proceeding.

¹ "Application for a Non-Firm Rate for Labrador," Newfoundland and Labrador Hydro, September 15, 2022.