

1 **Q. Re: Non-Firm Rate Presentation, page 5**

2 Citation:

3 Load would be served in the following priority:

- 4 ● First –Firm Town Loads
- 5 ● Second –Firm Industrial Customer Loads up to the contracted Power on Order
- 6 ● Third –Interruptible Industrial Customer Loads up to contracted amounts (5 MW
7 each)
- 8 ● Fourth –Non-Firm Customers
- 9 ● The implementation of the non-firm service would limit the ability of the mines to
10 exceed their contracted interruptible load availability.

11 **a)** Please elaborate on the significance of this limitation of the ability of the mines to
12 exceed their contracted interruptible load availability, if the non-firm service were to be
13 implemented. Specifically, please speak to:

- 14 ● The extent to which, in the past, Labrador mines have exceeded their contracted
15 interruptible load availability,
- 16 ● The extent to which Labrador mines have indicated the likelihood that, in the future,
17 they might wish to exceed their contracted interruptible load availability,

18 **b)** Please confirm that, if the non-firm service were to be implemented as proposed, any
19 energy consumption by Labrador mines in excess of their contracted interruptible load
20 availability would be based on equal sharing of available excess energy with other non-
21 firm rate customers.

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24 **A. a)** Industrial customers in Labrador generally have higher power consumption during the
25 colder winter season and this would be the typical time where they might exceed their

1 interruptible power amount. During these same periods is when firm rural power
2 consumption is also at its highest and there is little to no remaining transmission capacity
3 available to Labrador West.

4 Due to the transmission constraints in Labrador West, Newfoundland and Labrador Hydro
5 (“Hydro”) does not foresee many, if any, instances whereby firm rural load is being served,
6 Industrial customers’ firm and interruptible loads are being served, and all non-firm rate
7 options customers are using their maximum allocations. There is not enough transmission
8 capacity available to service the various loads at their maximum at the same time.

9 Hydro cannot provide specific customer details, and therefore cannot advise as to when and
10 how much interruptible power was used or intends to be used. Hydro can say that it does
11 typically occur during the winter season, but to date, this has not been a significant amount
12 of time. Hydro does expect more interruptible usage to occur in the future.

13 **b) Hydro does not confirm this statement.**

14 Hydro proposes the non-firm service be implemented via the following:

- 15 • Any demand usage by Labrador mines in excess of their contracted interruptible load
16 availability would be based on equal sharing of available excess capacity with other non-
17 firm rate customers after the non-firm rate customers have had the opportunity to fully
18 use their allotments.

19 Load would be served in the following priority:

- 20 1. Firm Town Loads.
- 21 2. Firm Industrial Customer Loads up to the contracted Power on Order.
- 22 3. Interruptible Industrial Customer Loads up to contracted amounts.
- 23 4. Non-Firm Rate Customer Loads up to their allocations.
- 24 5. Equal sharing of any additional excess capacity between Industrial customers
25 and non-firm rate customers.