

1 Q. How will the Island Industrial customers be informed and aware of when the Non-Firm Energy
2 Charge will be calculated using the “Non-Thermal Generation Source” or the “Thermal
3 Generation Source”? Should this be included in the Schedule of Rates, Rules and Regulations or
4 in the Island Industrial customer’s contracts?

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7 A. As stated in Newfoundland and Labrador Hydro’s (“Hydro”) response to PUB-NLH-005 of this
8 proceeding:

9 Island Industrial Customers (“IIC”) are required to contact Hydro when they wish
10 to avail of non-firm energy (amounts of energy and duration); Hydro can inform
11 the customer of the marginal energy source(s) that will be used to supply the
12 energy at the time of contact. If the marginal energy source should change,
13 Hydro will make contact with the customer to inform them of the change.

14 As discussed in Hydro’s response to IC-NLH-004 of this proceeding:

15 Hydro is envisioning using a website portal where customers will have
16 continuous access to the current incremental supply source and the forecast
17 incremental supply sources. This website portal will need to be developed and
18 implemented; it is not currently available. Please refer to Hydro’s response to
19 PUB-NLH-005 of this proceeding.

20 Given the additional complexity relating to the potential for the cost basis for the non-firm price
21 to vary from a fuel-based price to a market-based price, Hydro will work with the IIC to enable
22 timely access to the necessary information. The current IIC contracts enable the use of non-firm
23 energy, and the calculation of marginal energy source is included in the proposed Schedule of
24 Rates, Rules and Regulations as outlined in Schedule 2 to the Application.¹ As this process is
25 under development and will be implemented in consultation with the IIC, Hydro does not
26 believe that further details on the communication process should be included in either customer

¹ “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, rev. March 29, 2023 (originally filed September 15, 2022), sch. 2.

- 1 contracts or the Schedule of Rates, Rules and Regulations, as it has the potential to add
- 2 inefficiency as continuous improvements are made.