

1 Q. **Reference: 2026 GRA – Volume I, Schedule A-II: Actual and Forecast Electricity Requirements**
2 **for 2019–2027**

3 Citation #1:

4 2026 GRA Volume 1, Schedule A-II: Actual and Forecast Electricity Requirements for 2019–2027,
5 p. 212 pdf.

6 Citation #2:

7 P.U. 9 (2019)

8 The Board is satisfied that the information filed by Hydro shows that there are both reliability
9 and capacity concerns in Labrador East, and that the Project is the least-cost alternative to
10 address these concerns. The Board finds that the Project is reasonable and necessary to provide
11 reliable service and meet load requirements and that it should be approved. The Board
12 acknowledges that the costs of the Project are significant and that these costs may impact rates
13 on the Labrador Interconnected system, both in Labrador West and Labrador East. Hydro
14 estimated that the value of the capital assets to be placed into service in 2019 is \$9.5 million,
15 which would result in approximately \$4.7 million in average rate base being recovered from
16 customer rates. Hydro also noted that capital additions occurring subsequent to 2019 would not
17 be recovered from customers until Hydro's next general rate application. The Board is satisfied
18 that the concerns raised related to the impact on rate base and rates should be addressed in the
19 context of the Board's processes associated with the approval of Hydro's ongoing and next
20 general rate applications.

21 Preamble:

22 In 2019, NL Hydro received approval from the Board to construct the Muskrat Falls to Happy
23 Valley Interconnection (P.U. 9 (2019)), which was projected to increase the transmission system
24 transfer capacity to Labrador East from 77 MW to 104 MW.

- 25 a) Please confirm the date (month/year) that the Muskrat Falls to Happy Valley
26 Interconnection began operating and entered the rate base.

1 **b)** Please confirm that the total transmission system transfer capacity to Labrador East is
2 now 104 MW, or explain any deviations from this value.

3 **c)** Please provide the annual System Average Interruption Duration Index (SAIDI) and
4 System Average Interruption Frequency Index (SAIFI) for the years since the Muskrat
5 Falls to Happy Valley Interconnection became operational and five years prior to that
6 date for:

7 **i.** Customers serviced by the Muskrat Falls to Happy Valley Interconnection (i.e.,
8 Labrador East);

9 **ii.** Labrador West; and

10 **iii.** the IIS.

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13 **A. a)** Subject to the negotiated settlement agreement, approximately \$5 million¹ was included in
14 rate base as part of the 2019 Cost of Service.² The Muskrat Falls to Happy Valley
15 Interconnection assets actually went in-service in phases in 2020, 2021, and 2022 and were
16 included in rate base but did not impact rates. In this General Rate Application, the full
17 project has been incorporated into rate base and is reflected in the Revenue Requirement to
18 be recovered from customers in rates.

19 **b)** The total transmission system transfer capacity to Labrador East has recently increased from
20 104 MW to 129 MW. Upon completion of the Muskrat Falls to Happy Valley
21 Interconnection, the transfer limit was defined by the firm transformation capacity at the
22 Happy Valley Terminal Station, or 104 MW. Hydro has since incorporated the 25 MW
23 dispatchable capability of the Happy Valley Gas Turbine into the firm capacity calculation.

¹ Average value of assets. No depreciation was included.

² Inclusion of assets in rate base for the 2019 Test Year was approved in Board Order No. P.U. 30(2019).

1 c) Please refer to Chart 1 and Chart 2 for the requested information. These charts were

2 developed using the respective customer counts and include all outage events.

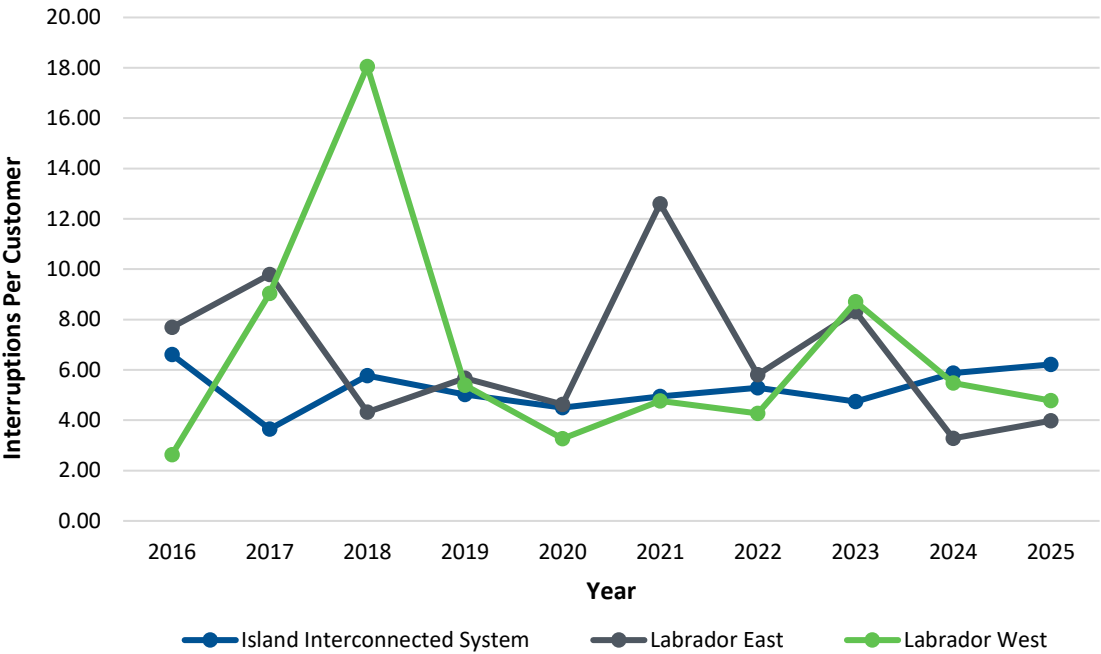


Chart 1: System Average Interruption Duration Index by Customer

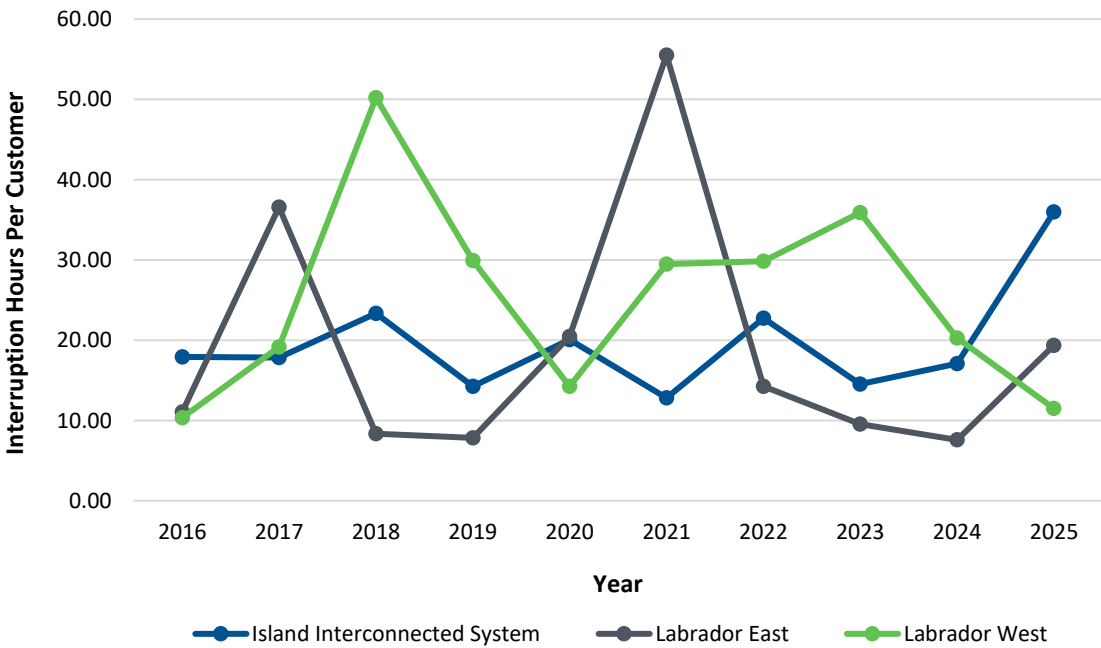


Chart 2: System Average Interruption Frequency Index by Customer