

1 **Q. Reference: 2026 GRA – Volume 1, Section 2.2.1 Dispatch of Least-Cost Electricity**

2 Preamble:

3 Despite the increasing complexity of the LIS since the last GRA, the Application does not detail
4 the role of the NLSO in relation to transmission and generation assets within Labrador that are
5 not wholly-owned by NLH but that are essential to optimizing the value of hydroelectric
6 resources in Labrador for the benefit of ratepayers.

7 **a)** Does the NLSO now operate the transmission lines connecting Churchill Falls to the
8 Hydro-Québec system, do those lines remain the operational responsibility of CF(L)Co in
9 coordination with Hydro Québec, or is some other party responsible for their operation?

10 **b)** Please confirm the current frontier and interface between the control area managed by
11 NLSO and that managed by Reliability Coordinator of Quebec, particularly with respect
12 to the Churchill Falls Generating Station and the transmission lines connecting it to the
13 Hydro-Québec grid.

14 **c)** Please provide an update on any ongoing or recent discussions with CF(L)Co and Hydro-
15 Québec respecting operational control over the 735 kV lines from the Churchill Falls
16 Generating Station to the Labrador/Québec border.

17 **d)** Please provide an update respecting any ongoing or recent discussions with Hydro-
18 Québec respecting whether agreement has been reached regarding the general
19 principles for load balancing in the Labrador Balancing Authority Area.

20 **e)** Please indicate whether an agreement has been reached between NLSO, CF(L)Co and
21 Hydro-Québec concerning the matters mentioned above in this information request. If
22 so, please file that agreement for the Board's information in this proceeding.

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- 1 A. **a)** Operational control of CF(L)Co's¹ 735 kV transmission lines connecting Churchill Falls to the
2 Hydro-Québec system was transferred from CF(L)Co to the Newfoundland and Labrador
3 System Operator ("NLSO"). While operational control resides with the NLSO, CF(L)Co
4 continues to perform the day-to-day operation of the 735 kV assets on the NLSO's behalf.
5 Given that the transmission systems operated by the NLSO and Hydro-Québec are
6 electrically synchronized and interconnected, the NLSO and Hydro-Québec coordinate the
7 operation of the interconnection between their respective systems. The NLSO also
8 coordinates with CF(L)Co, as appropriate, regarding matters affecting the operation of the
9 interconnected transmission and generation facilities.
- 10 **b)** Hydro-Québec is responsible for the reliable operation of the Electric Power Transmission
11 System, as defined in the *Act respecting the Régie de l'énergie, CQLR c R-6.01* owned by
12 Hydro-Québec, including the transmission and generation facilities located in the province
13 of Québec. The NLSO is the system operator responsible for the reliable operation of the
14 Integrated Electric System, as defined in the *Public Utilities Act*, including the transmission
15 and generation facilities located in the province of Newfoundland and Labrador. The
16 interface between the two power system control areas is established at a defined point on
17 the 735 kV transmission system near the Labrador-Québec border. Accordingly, the
18 Churchill Falls Generating Station and the associated 735 kV transmission facilities located in
19 Labrador fall within the control area operated by the NLSO.
- 20 **c)** The NLSO, CF(L)Co, and Hydro-Québec maintain ongoing communication and coordination
21 regarding the operation of the interconnected transmission systems, including the 735 kV
22 transmission facilities connecting the Churchill Falls Generating Station to the Labrador-
23 Québec border. This communication and coordination is governed by established operating
24 arrangements. Under these arrangements, operational control of the 735 kV transmission
25 lines in Labrador remains with the NLSO in accordance with the *Public Utilities Act*, as
26 described above.

¹ Churchill Falls (Labrador) Corporation Limited ("CF(L)Co").

- 1 **d)** The general principles applicable to load balancing within the Labrador Balancing Authority
2 Area are addressed through the operating arrangements established between the NLSO and
3 Hydro-Québec.
- 4 **e)** An agreement and operating arrangements exist between the NLSO, CF(L)Co and Hydro-
5 Québec respecting the operation of the interconnected transmission systems. These
6 arrangements include provisions relating to operational coordination and other operating
7 requirements associated with the interconnected transmission systems. The agreement and
8 operating arrangements are in accordance with the principles described above; however,
9 due to the sensitivity of operational detail with a neighbouring jurisdiction, the agreement
10 has not been filed. It is Newfoundland and Labrador Hydro's opinion that the information
11 requested is not necessary for a satisfactory understanding of the matters to be considered
12 in the 2026 General Rate Application as required by the *Board of Commissioners of Public*
13 *Utilities Regulations, 1996*. Further, pursuant to section 14.5(2) of the *Electrical Power*
14 *Control Act, 1994*, the NLSO must keep confidential all information relating to the integrated
15 electric system and transmission customers that is not required to be disclosed under
16 subsection (1) of section 14.5.