

1 Q. Newfoundland Power purports to operate some twenty-three (23) small  
2 hydro-electric developments on the island of Newfoundland. Newfoundland  
3 Hydro also operates hydro-electric developments on the island and Hydro's  
4 business on the island of Newfoundland is primarily generation:

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6 a) Please provide details of what cooperative efforts exist between the  
7 two companies pertaining to generation?

8 b) Would consumers of the Province be best served if one company  
9 dealt exclusively with hydro-electric developments and generation?

10 c) What efforts have been made to avoid duplication of costs between  
11 the two companies pertaining to generation.

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14 A. a) Newfoundland and Labrador Hydro and Newfoundland Power agree  
15 to use Newfoundland Power's generation in order to maintain reliable  
16 service to customers on the Island of Newfoundland. When required,  
17 Newfoundland and Labrador Hydro makes requests to Newfoundland  
18 Power to operate its generation to meet the system peak demand and  
19 during forced and planned transmission outages.

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21 During peak load periods Newfoundland and Labrador Hydro will,  
22 when necessary, request Newfoundland Power to maximize their  
23 hydraulic generation and place in-service their thermal generation to  
24 meet the overall system demand.

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26 During planned or forced outages, Newfoundland Power's hydraulic or  
27 thermal generation may be used to supply local loads or to support  
28 area voltages. Newfoundland Power's mobile gas turbine is available

1 to Newfoundland and Labrador Hydro for major planned projects or  
2 during lengthy forced transmission outages.

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4 b) Newfoundland and Labrador Hydro currently owns in excess of 80%  
5 of the generation capacity on the Island (1486 MW, 81.1%) with the  
6 balance being owned by Newfoundland Power (147 MW, 8.0%),  
7 Abitibi Consolidated Inc. (58 MW, 3.2%), Corner Brook Pulp & Paper  
8 Limited (121 MW, 6.6%) and small non-utility generators (19 MW,  
9 1%). The answer to the question raises issues relating to the rights  
10 and interests of all these parties and it has not been studied or  
11 considered by Newfoundland and Labrador Hydro.

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13 c) The generation facilities of Hydro are generally not similar (with the  
14 exception of one gas turbine generator) to those of Newfoundland  
15 Power due primarily to type, age, size and manufacturer. Therefore,  
16 little opportunity for coordination with the intent of avoiding duplication  
17 of cost of tools and equipment exist. With respect to the one similar  
18 gas turbine generator, both companies coordinate the sharing of parts  
19 and specialized tools as required.

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21 The other area of coordination by both companies regarding  
22 generation that avoids cost duplication is provision of mobile  
23 emergency standby generation. Both companies maintain mobile  
24 emergency standby generation (Newfoundland Power has a mobile  
25 gas turbine and Hydro has mobile diesel generation), which have  
26 different applications due to their size. These can be utilized by either  
27 company as required.