

Newfoundland & Labrador Hydro

2003 General Rate Application

Towns of Labrador City and Wabush Responses to Hydro Information Requests

Request

NLH-235 LC

On Page 8, under the Policy section of his evidence, Mr. Drazen states: "There is no general policy of rate equalization on the Hydro system. Hydro proposes five sets of rates, reflecting cost differences among five different subsystems: Island Interconnected, Island Isolated, Labrador Isolated, L'Anse au Loup and Labrador Interconnected. This 'systemization', as Hydro's witness describes it, is based on the different facilities and cost of service among those five areas. Thus, there is no inherent policy that requires the LIS East and LIS West rates to be equalized".

Would Mr. Drazen agree that in contrast to Labrador East and Labrador West, which effectively comprise the Labrador Interconnected system, one salient difference among Hydro's five systems is that they are geographically isolated and electrically independent of each other?

Response

Labrador West and Labrador East are separated by 400 km and are electrically independent of each other, in the sense that power cannot flow from one area to the other.