

1 Q. If the answer to IC-NLH-177 is "no", then has Hydro identified the minimum amount
2 of power to be received and available to Island System, for each OPDA period year,
3 to be considered "used and useful" to the Island System? What is Hydro's criteria
4 for "used and useful" - does it include that importing the power would actually
5 generate savings which would be credited to the customers in OPDA?
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8 A. There is no criteria with respect to the amount of energy to be transmitted on
9 which the definition of "used and useful" is contingent.
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11 When these assets are placed into service, they will be used to deliver lower cost
12 off-island energy which will result in savings. The amount of off-island energy that
13 will be transmitted is dependent on the availability of off-island energy, the demand
14 for it on the island, and the technical limitations of the transmission line. Importing
15 lower cost power will generate savings which will be credited to customers through
16 the Off-Island Purchases Deferral Account.
17

18 Regardless of the amount of energy transmitted, the addition of these assets to the
19 provincial transmission system will increase reliability of supply to Hydro's
20 customers.