

1 Q. **NLH Evidence, Section 5.9.1, p.5.35**

2 Citation:

3 Labrador West transmission is nearing its capacity limitations. The cost of providing
4 new transmission to meet load growth on the Labrador Transmission System is high
5 and can materially impact future customer rates.

6

7 Preamble:

8 A map of the Labrador Transmission System is found in Exhibit 1, Schedule 1.

9

10 Please:

11 h) Confirm whether the Labrador Transmission System is used to supply power
12 to Fermont, Quebec, and if so, what parts of the Labrador Transmission
13 System are used to do so, and what is the size of that load (in MW and
14 GWh);

15 i) Confirm that power from Churchill Falls is available at the Normand
16 substation in Quebec;

17 j) Confirm that there is no transmission line connecting Normand to Fermont;

18 k) Please identify any agreements in place between Québec and
19 Newfoundland and Labrador, and/or between Hydro-Québec and NLH,
20 governing the supply of Fermont, and provide copies thereof;

21 l) Are the energy supply to Fermont and the revenues therefrom identified in
22 the present filing? If so, please indicate where. If not, please provide these
23 figures;

24 m) Please indicate whether or not there have ever been discussions, either
25 Québec and Newfoundland and Labrador, and/or between Hydro-Québec
26 and NLH, concerning the possibility of terminating or modifying this
27 agreement, in light of the capacity constraints affecting the Labrador West

1 region. If so, please describe the exchanges that have taken place, and the
2 status of the question.
3
4

5 A.

6 h) The Labrador Transmission System is used to supply only emergency power to
7 Fermont, Québec. Figure 1 highlights the transmission path for emergency
8 supply to Fermont in blue. The emergency supply load is deemed to equal 15
9 MW at 100% capacity factor for metering purposes. The emergency power is
10 supplied only when the facilities in Western Labrador can accommodate the
11 request from Hydro-Québec.
12

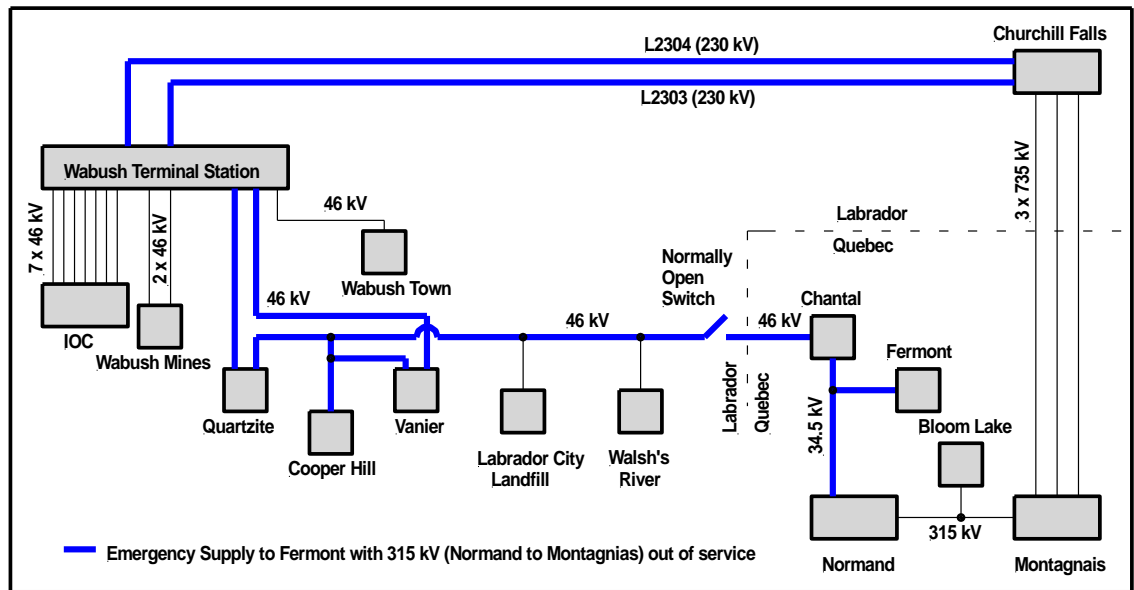


Figure 1 – Supply Path for Emergency Power to Fermont

13 i) Hydro cannot confirm that power from Churchill Falls is available at the
14 Normand Substation in Québec at this time.

- 1 j) There is no transmission line connecting the Normand Substation to the
2 Fermont Substation. The two stations are connected via a 34.5 kV distribution
3 line.
4
- 5 k) A copy of the Emergency Power Wheeling Agreement is attached as LAB-NLH-
6 029, Attachment 1.
7
- 8 l) No, energy supply and revenue is not included in the present filing given that
9 the supply is for emergencies only. The accounting of capacity and energy are
10 governed in the Emergency Power Wheeling Agreement.
11
- 12 m) There have been no discussions concerning the possibility of terminating the
13 Emergency Power Wheeling Agreement in light of the capacity constraints
14 affecting Western Labrador, as the agreement is for emergencies only.

ENTENTE DE TRANSIT
EN URGENCE

EMERGENCY POWER
WHEELING AGREEMENT

Cette Entente établie en quatre exemplaires ce jour de , 1988.

(Première partie)

Entre HYDRO-QUÉBEC, compagnie dûment constituée et régie par la Loi sur Hydro-Québec (Lois refondues du Québec, chapitre H-5) et dont le siège social est à Montréal, province de Québec (ci-après nommée "HYDRO-QUÉBEC").

(Deuxième partie)

Et CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED, compagnie dûment constituée et existant conformément aux Lois du Canada (ci-après nommée "CF(L)Co.").

(Troisième partie)

Et TWIN FALLS POWER CORPORATION LIMITED, compagnie dûment constituée et existant conformément aux lois du Canada (ci-après nommée "TWIN").

(Quatrième partie)

Et NEWFOUNDLAND AND LABRADOR HYDRO, compagnie ayant changée de dénomination sociale, prorogée et existant conformément aux dispositions de la Newfoundland and Labrador Hydro Act. No. 3 des status de Terre-Neuve 1975 dans leur forme modifiée (ci-après nommée "HYDRO").

This Agreement made in quadruplicate this 22nd day, of December, 1988.

(Of the first part)

Between HYDRO-QUÉBEC, a body corporate, duly incorporated and regulated by the Hydro-Québec Act, Chapter H-5, Revised Statutes of Québec, and having its head office at the City of Montréal, in the Province of Québec (hereinafter, called "HYDRO-QUÉBEC").

(Of the second part)

And CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED, a body corporate, duly incorporated and existing pursuant to the Laws of Canada (hereinafter called "CF(L)Co.").

(Of the third part)

And TWIN FALLS POWER CORPORATION LIMITED, a body corporate, duly incorporated and existing pursuant to the Laws of Canada (hereinafter called "TWIN").

(Of the fourth part)

And NEWFOUNDLAND AND LABRADOR HYDRO, a body corporate, renamed, continued and existing pursuant to the provisions of the Newfoundland and Labrador Hydro Act, being No. 3 of the Statutes of Newfoundland 1975, as amended (hereinafter called "HYDRO").

- 2 -

ATTENDU qu'HYDRO-QUÉBEC, CF(L)Co., TWIN et la Compagnie Minière Québec Cartier (ci-après nommée ("CMQC")) étaient parties à un protocole d'accord daté du 25^e jour de mai 1978, dont une copie conforme, intitulée Annexe A, est jointe aux présentes et en fait partie.

ATTENDU que CMQC a ou va céder à HYDRO-QUÉBEC, entre autres choses, tout le tronçon situé dans la province de Québec de la ligne de transport à 46 kV entre la ville de Wabush, province de Terre-Neuve et la ville de Fermont, province de Québec.

ATTENDU que CMQC a cédé à HYDRO tout le tronçon de cette ligne de transport à 46 kV qui est situé dans la province de Terre-Neuve.

ATTENDU que les parties aux présentes s'entendent pour permettre que cette ligne à 46 kV continue de servir de ligne de transport d'urgence pour la fourniture d'électricité à la ville de Fermont susmentionnée et aux villes de Wabush et de Labrador City susmentionnées, le cas échéant.

EN CONSÉQUENCE, par cette entente et en considération des ententes mutuelles stipulées aux présentes et sous réserve des conditions ci-après, les parties conviennent de ce qui suit :

WHEREAS HYDRO-QUÉBEC, CF(L)Co., TWIN and Québec Cartier Mining Company (hereinafter called "QCM") were parties to a Letter of Agreement dated the 25th day of May, A.D. 1978, a true copy of which is annexed hereto and marked as Schedule A and forms part of these presents.

WHEREAS QCM has conveyed or shall convey to HYDRO-QUÉBEC, inter alia, all that portion of the 46 kV transmission line between the Town of Wabush, in the Province of Newfoundland and the Town of Fermont, in the Province of Québec, which is located in the Province of Québec.

WHEREAS QCM has conveyed to HYDRO all that portion of the said 46 kV transmission line which is located in the province of Newfoundland.

WHEREAS the parties hereto have agreed to continue to allow for the said 46 kV transmission line to supply power to the Town of Fermont, aforesaid and the Towns of Wabush and Labrador City, aforesaid, as the case may be.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set out, the parties hereto agree as follows:

À défaut d'autres accords de transit, les parties aux présentes conviennent qu'en cas d'urgence à la ville de Fermont susmentionnée ou aux villes de Wabush et Labrador City susmentionnées, urgence causée par une longue interruption de la livraison d'électricité, on fera transiter, sans frais, de l'électricité appartenant à HYDRO-QUÉBEC vers la ville de Fermont, utilisant les installations de CF(L)Co., de TWIN, de HYDRO et d'HYDRO-QUÉBEC, ou on fera transiter, sans frais, cette électricité vers les villes de Wabush et de Labrador City en utilisant les installations d'HYDRO-QUÉBEC et de HYDRO. Dans ces cas cependant, en raison de la capacité de ces installations à la date des présentes, l'électricité fournie ne devra pas servir à des fins industrielles, ni à l'exécution d'obligations de fournir de l'électricité à des tiers - obligation qu'HYDRO-QUÉBEC, CF(L)Co., TWIN et HYDRO doivent ou devront remplir en vertu d'une entente quelconque.

Chacune des parties peut résilier le présent contrat en tout temps, en donnant un préavis écrit de trente (30) jours aux autres parties.

Les transits d'électricité décrits aux présentes auront un effet sur le mesurage de l'électricité fournie à HYDRO-QUÉBEC par CF(L)Co. HYDRO-QUÉBEC et CF(L)Co. conviennent par les présentes de déterminer la quantité de puissance et d'énergie fournie pendant que les transits susmentionnés sont effectués

In the absence of other wheeling agreements, the parties hereto agree that in the case of an emergency at either the Town of Fermont, aforesaid, or the Towns of Wabush and Labrador City, aforesaid, caused by a prolonged interruption of electrical service, there be, without cost, wheeling of electricity belonging to HYDRO-QUÉBEC to the Town of Fermont, through the facilities of CF(L)Co., TWIN, HYDRO and HYDRO-QUÉBEC, or that there be, without cost, wheeling of such electricity to the Towns of Wabush and Labrador City, through the facilities of HYDRO-QUÉBEC and HYDRO, in each case, however, under the condition that due to the capacity of these installations at the date hereof, such electricity shall be only for non-industrial purposes and not to meet the obligations to furnish electricity to others which HYDRO-QUÉBEC, CF(L)Co., TWIN and HYDRO must or will have to fulfill by virtue of such agreement.

Each of the parties hereto may cancel this Agreement at any time by giving thirty (30) days prior written notice to the others.

The wheeling of electricity described herein will have an effect on the metering of the quantities of electricity delivered to HYDRO-QUÉBEC by CF(L)Co. to determine the quantity of power and energy being delivered while the aforesaid wheeling is being effected by adding or subtracting, as the case may be, from the

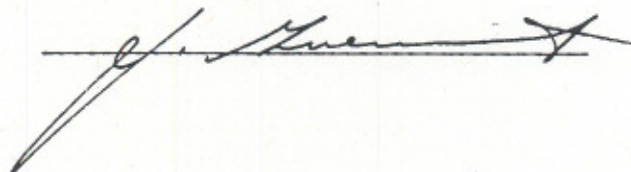
en ajoutant à la quantité mesurée ou en soustrayant, selon le cas, quinze (15) mégawatts à un facteur d'utilisation de cent pour cent (100 %).

amount measured, fifteen (15) megawatts at a load factor of one hundred percent (100 %).

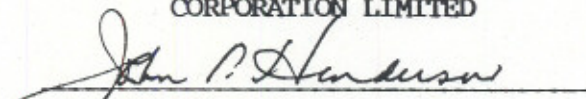
EN FOI DE QUOI, les parties ont signé la présente Entente.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

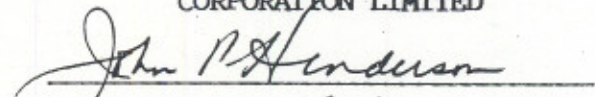
HYDRO-QUÉBEC



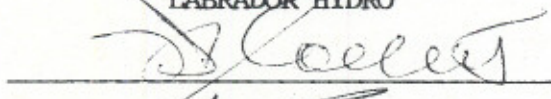
CHURCHILL FALLS (LABRADOR)
CORPORATION LIMITED


Maureen P. Greene

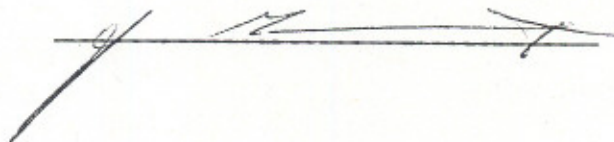
TWIN FALLS POWER
CORPORATION LIMITED


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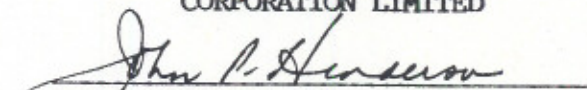
NEWFOUNDLAND AND
LABRADOR HYDRO


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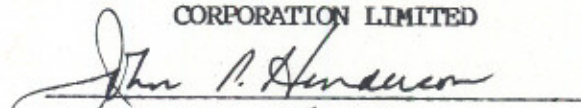
HYDRO-QUÉBEC




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