

1 Q. **Re: Exhibit 2, pages 3-4**

2 Preamble:

3 Section 4.3 is inconsistent in the verb tenses used to describe the creation of the
4 Newfoundland and Labrador System Operator (NLSO):

5 “The creation of the Newfoundland and Labrador System
6 Operator (NLSO) is an important step in the integration of
7 the Muskrat Falls assets into the provincial electrical
8 system and the Island’s interconnection with the North
9 American electricity grid.”

10

11 “The NLSO will reside in Hydro but will be functionally
12 separate and will act as the independent system operator
13 for the transmission system in the Province. It will operate
14 the facilities owned by Hydro and Nalcor along with
15 interconnections to Emera’s Maritime Link assets on the
16 island.”

17

18 “Hydro has structured the NLSO into three main areas:
19 Transmission Planning, System Operations, and Reliability
20 and Commercial Management:

21

22 “Transmission Planning – The transmission planning group
23 is responsible for the safe, efficient, reliable, and
24 environmentally responsible planning of the provincial
25 interconnected transmission system.

26

1 “System Operations – The System Operations group
2 manages the Newfoundland and Labrador power system
3 and coordinates the supply of and demand for electricity
4 in accordance with reliability standards in effect in the
5 province.

6
7 “Reliability and Commercial Management – The NLSO is
8 responsible for establishing the reliability framework for
9 operating the bulk electrical system. The NLSO is also
10 responsible for offering open and non-discriminatory
11 access to the Newfoundland and Labrador interconnected
12 transmission system to all transmission customers,
13 including Nalcor affiliates and non-affiliated third parties.”
14

15 Please clarify the status of the NLSO:

- 16 b) Is it already in existence and already carrying out these functions?
17 c) If so, was it created in response to directives from either the provincial
18 government or the PUB, or purely as an initiative of NLH?
19 d) If the NLSO is not already in existence and already carrying out these
20 functions, is Hydro awaiting authorization to do so from the PUB in the
21 context of the present proceeding?
22
23

24 A.

- 25 b) The NLSO has commenced separate functional operations within Hydro;
26 however, it will not be fully operational until the procedures are in place
27 with respect to open access.

- 1 c) It was created by Hydro in consultation with the provincial government.
- 2
- 3 d) The NLSO does not require the authority of the Board to carry out all of its
- 4 functions—some of them it can carry out by agreement with the
- 5 transmission owners—but it will need rates approved to enable it to charge
- 6 a transmission rate, including an open access tariff.