

**2018 Capital Budget Application – Muskrat Falls to Happy Valley Interconnection Project**

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- 1 Q. a) In Hydro’s view, does the Muskrat Falls Exemption Order and/or OIC 2013-343  
2 ensure that none of the costs of the LTA in general, and line L3101/3102 in  
3 particular, will be borne by consumers in Labrador? Please explain Hydro’s  
4 position in detail.
- 5 b) If the Muskrat Falls Exemption Order and OIC 2013-343 were repealed,  
6 amended, or otherwise found not to ensure that none of the costs of  
7 L3101/3102 will be borne by consumers in Labrador, please explain in detail  
8 how Hydro would go about allocating the costs of these lines between the IIS  
9 and the LIS, assuming that the MFHVI is built and operated as planned, making  
10 explicit all assumptions used.
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- 13 A.
- 14 a) In Newfoundland and Labrador Hydro’s (“Hydro”) view, the Muskrat Falls  
15 Exemption Order and Order in Council OC2013-343 ensures that none of the  
16 costs of the Labrador Transmission Assets in general, and line L3101/3102 in  
17 particular, will be borne by ratepayers in Labrador.
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- 19 b) The Board of Commissioners of Public Utilities (the “Board”) is bound by the  
20 *Public Utilities Act, the Electrical Power Control Act, 1994*, and the directives  
21 issued under that legislation. Hydro believes it to be improper for Hydro to  
22 speculate on legislation or subordinate legislation that could be, or might be,  
23 enacted in the future. Further, Hydro states that an answer to this hypothetical  
24 question is not required for the Board or the parties to gain a full understanding  
25 of the matters and issues before the Board in the present proceeding.