

1 Q. Reference: Newfoundland and Labrador Hydro Cost of Service Methodology Review
2 Report, Appendix A – Cost of Service Methodology Review prepared by Christensen
3 Associates Energy Consulting, November 15, 2018, November 15, 2018, Page 32, Lines 1-
4 6.

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6 *“Generator Interconnection Facilities: Sometimes referred to as generator leads,*
7 *interconnection facilities consist of a dedicated equipment bundle associated with the*
8 *interconnection of generators to the Hydro transmission network. This equipment includes*
9 *lines, substations, step-up transformers, switchgear, and monitoring equipment;”*

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11 From a cost causality perspective, could a very long transmission line built to connect a
12 specific low cost energy source reasonably be considered a generator lead, even if the low
13 cost energy source also connects to another transmission system? Why or why not?

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16 A. This response has been provided by Christensen Associates Energy Consulting.

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18 Yes. As our report indicates, the decision to functionalize a line as generation includes
19 considerations such as the nature of the power flow and the sizing of the transmission line.
20 If virtually all power flow is in one direction (generator to the main grid) and the line is sized
21 with the specific generator’s capacity in mind, then functionalization as generation is
22 justifiable. Please see our report at page 33, line 20 through page 36, line 8.