

1 **Q. Q. Reference Prefiled Evidence of C. Douglas Bowman, page 15, lines 15-16:**
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3 **(i) Is it possible to utilize the LIL to transmit energy or capacity from Churchill**
4 **Falls generation?**
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6 **(ii) Is it possible to utilize the LTA to transmit energy or capacity from**
7 **Churchill Falls generation?**
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9 **(iii) Is it possible to utilize the LIL or the LTA to import energy or capacity**
10 **from North American markets?**
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13 **A.** In response to LAB-NLH-008 (part (a)) relating to the 2017 GRA Compliance
14 Application Hydro states “*It is confirmed that all Recapture Energy is transmitted*
15 *over the Labrador-Island Link and all Other Off-Island Purchases are transmitted*
16 *over the Maritime Link.*” Therefore, it is Mr. Bowman’s understanding that (i) it is
17 possible to utilize the LIL to transmit energy or capacity from Churchill Falls
18 generation; (ii) it is possible to utilize the LTA to transmit energy or capacity from
19 Churchill Falls generation, and (iii) it is possible to utilize the LIL or the LTA to
20 import energy or capacity from North American markets. However, while it may be
21 possible to utilize the LIL and LTA assets to import capacity or energy from North
22 American markets, it appears that Hydro will not be doing so. Mr. Bowman points
23 out that the LIL and LTA transmission assets were constructed to evacuate power
24 produced by Muskrat Falls generation enabling transport of this power to the market
25 via the transmission network. It would not be possible to transport Muskrat Falls
26 generation to the market in the absence of the LIL and LTA transmission assets. In
27 the absence of Muskrat Falls generation, the limited benefits provided by the LIL
28 and LTA assets, if any, would not justify the costs of these assets and they would
29 not have been constructed. Cost causation is best reflected by basing the cost of
30 service study inputs on why the assets were committed for construction and how
31 they will *predominantly* be operated. Cost causation is poorly represented by what
32 is “*possible*” or what may “*rarely occur*”. The LTA and LIL transmission assets
33 will predominantly benefit one entity, Muskrat Falls generation. As a result, the LIL
34 and LTA assets are best represented as generator leads in the cost of service study.
35 Mr. Bowman supports Hydro’s proposal that the LIL and LTA transmission assets
36 be considered part of Muskrat Falls generation and treated on the same basis with
37 functionalization as generation and classification using the equivalent peaker
38 approach.