

1 Q. Please confirm the functionalization and classification of TL-247 and TL-243.

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4 A. TL 247 is a 230 kV transmission line which connects the Cat Arm Hydroelectric Generating
5 Station to the main transmission system at the Deer Lake Terminal Station. TL 247 is
6 functionalized as generation and classified using system load factor consistent with the
7 classification of hydraulic generation.

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9 TL 243 is a 138 kV transmission line which connects the Hinds Lake Hydroelectric
10 Generating Station to the main transmission system at the Howley Terminal Station. TL 243
11 is functionalized as generation and classified using system load factor consistent with the
12 classification of hydraulic generation.

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14 Newfoundland and Labrador Hydro's approach to treating these assets the same as
15 hydraulic generation in the Cost of Service Study is based on Recommendation 15 of the
16 Board of Commissioners of Public Utilities' 1993 Cost of Service Report¹ which states:

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18 That transmission lines and substations in the Island Interconnected
19 System used solely or dominantly for the purpose of connecting remotely-
20 located generation to the main transmission system be classified in the
21 same manner as the generating stations they serve.

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23 Newfoundland and Labrador Hydro notes that these transmission lines are not included in
24 computing Newfoundland and Labrador System Operator transmission rates because these
25 transmission lines are considered generating assets from a cost of service perspective (i.e.,
26 generator leads).

¹ "Report of the Board of Commissioners of Public Utilities to the Honorable Minister of Mines and Energy Government of Newfoundland and Labrador on a Referral by Newfoundland and Labrador Hydro for the Proposed Cost of Service Methodology and a Proposed Method for Adjusting its Rate Stabilization Plan to Take Into Account the Variation in Hydro's Rural Revenues Resulting From Variations in the Rates Set by the Board to be Charged by Newfoundland Light & Power Co. Limited to its Customers," February 1993 at p. 76.