

1 Q. Why does Hydro propose a monthly customer charge for non-firm rate power customers when  
2 it would have to perform the same tasks with respect to export customers? Has Hydro analyzed  
3 how much, if any, differences there are in such costing? If so, what are they?

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6 A. The tasks required to administer the proposed Labrador Interconnected System Non-Firm Rate  
7 are incremental costs to Newfoundland and Labrador Hydro. Please refer to Schedule 1 of the  
8 application with respect to why it would be appropriate to charge a monthly customer charge to  
9 non-firm customers on the Labrador Interconnected System.<sup>1</sup>

10 The tasks required to administer export sales differ from the tasks that would be required in  
11 administering the proposed Labrador Interconnected System Non-Firm Rate. The administration  
12 of export sales is conducted by Nalcor Energy Marketing Corporation and their administrative  
13 costs are netted against export revenues in determining the earnings from exports to be  
14 allocated among the related parties.

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<sup>1</sup> "Application for a Non-Firm Rate for Labrador," Newfoundland and Labrador Hydro, rev. March 29, 2023 (originally filed September 15, 2022), sch. 1, sec. 2.3.5, p. 10.