

1 **Q. Re: Non-Firm Rate Presentation, page 5**

2 Citation:

3 Objective: To provide non-firm service on the LIS without requiring capital investments  
4 on common grid so that the provision such service could: (i) enable use of surplus  
5 Recapture Energy in Labrador, but (ii) would not negatively impact existing customers in  
6 the delivery of service and the cost of firm service.

7 **a)** Please confirm that the availability of Recapture Energy is computed and accounted for  
8 on an annual basis. If not, please explain in detail, how the amount of Recapture Energy  
9 available to Hydro is calculated.

10 **b)** Consider a hypothetical situation in which significant amounts of non-firm energy are  
11 sold early in the year, based on forecasts of the amount of Recapture Energy to be used  
12 by firm customers later in the year, and those customers then exceed their forecast  
13 energy usage. How would the shortfall of Recapture Energy be met, and from what  
14 source?

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17 **A. a)** The availability of Recapture Energy is computed and accounted for on a monthly basis, not  
18 an annual basis. The amount of Recapture Energy available to Newfoundland and Labrador  
19 Hydro (“Hydro”) at the Newfoundland and Labrador–Québec border<sup>1</sup> in any month is  
20 270 MW multiplied by the number of hours in the month. Hydro’s entitlement is  
21 approximately 2.3% higher for energy delivered at Churchill Falls instead of the  
22 Newfoundland and Labrador–Québec border.

23 **b)** This hypothetical scenario is not realistic as amounts of Recapture Energy available are  
24 accounted for monthly. The amount of non-firm sales in any given month will have no  
25 bearing on amounts available in future months.

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<sup>1</sup> This is the “Effective Delivery Point” in the Recapture Energy Power Purchase Agreement between Hydro and the Churchill Falls (Labrador) Corporation.