

1 Q. **Re: LAB-NLH-005 (b)**

2 Q. In the event of substantial firm load growth in Labrador (e.g. as a result of
3 new mining projects), it is plausible to expect that, at some point, there would
4 not be significant amounts of non-firm energy available?

5 R. Yes, if there is growth in the firm load in Labrador then there will be less non-
6 firm energy available for non-firm customers. However, if additional firm
7 transmission capacity is added to serve the growth in firm load, the amount of
8 non-firm capacity available could be replenished.

9 a) In the scenario described in the response, is it correct to conclude that non-firm rate
10 customers would benefit materially from transmission capacity additions to which they
11 make no contribution? If so, please explain why this is a desirable outcome. If not, please
12 explain why not.

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15 A. a) Newfoundland and Labrador Hydro does not consider non-firm energy sales in system
16 planning; therefore, planned transmission capacity additions will not consider non-firm load
17 utilization or non-firm load requests in project selection. Non-firm rate customers may
18 receive a benefit from a transmission capacity addition on a temporary basis if the firm load
19 (which justified the capacity addition) lags the completion of the transmission addition. The
20 degree of benefit of new transmission capacity additions to non-firm service will also be
21 dependent on the seasonality and the load factor impact of the new load on the local
22 transmission system.