

1 **Q. Does Mr. Bowman believe that the Labrador interconnected system should be**
2 **treated in essentially the same fashion as the Island interconnected system is treated**
3 **in future cost of service studies once the Labrador-Island interconnection makes**
4 **them part of the same bulk power supply grid? Please explain your reasoning in**
5 **detail.**

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7 **A.** Mr. Doug Bowman believes that the Labrador Interconnection System is currently
8 treated in essentially the same fashion as the Island Interconnected System in cost of
9 service studies. In both cases, customers pay rates based on the cost of supply in their
10 respective power systems. He would expect that to continue following commissioning of
11 the Labrador-Island Interconnection. If the question is asking if the two systems should
12 be combined for the purposes of cost of service and rate design following completion of
13 the Labrador-Island interconnection, Mr. Doug Bowman is unable to predict what might
14 come out of the future studies on marginal costs, cost of service and rate design, and what
15 future Government policy might be in this regard. He believes this to be one of the key
16 issues to be addressed in the post Muskrat Falls era. He suspects that Labrador might
17 argue that the Labrador-Island interconnection is being built to transmit hydropower
18 located in Labrador to displace power generated at Holyrood on the Island.