

1     Q.    In the GRA Application, Section 2.6.2 Labrador Interconnected System it is stated  
2            that the majority of energy consumed is purchased from CF(L)Co, with the  
3            exception of gas and diesel generation from Happy Valley-Goose Bay when needed  
4            for outages or system support. However, in the same section there is also reference  
5            to other power purchase expense for the Labrador Interconnected System related  
6            to TwinCo Wabush Terminal Station. Explain in detail how, if the energy from  
7            CF(L)Co and gas and diesel generation from Happy Valley-Goose Bay is the only  
8            energy consumed in the Labrador Interconnected System, there is also a power  
9            purchase expense related to TwinCo Wabush Terminal. If TwinCo Wabush  
10           represents additional energy supplied to the system, describe in detail this  
11           purchase, how many KWs and kwhs are delivered to the Labrador Interconnected  
12           System, and the frequency of these deliveries.

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15    A.    The recall energy from CF(L)Co and gas turbine and diesel generation from Happy  
16            Valley-Goose Bay are the only sources of energy for Hydro's Interconnected  
17            customers in Labrador. The TwinCo expense referenced in Section 2.6.2 of the GRA  
18            Application is related to Hydro's share of the expenses related to Twin Falls Power  
19            Corporation's Wabush Terminal Station. They do not represent additional energy  
20            supplied to the system. These expenses are allocated on a capacity sharing  
21            arrangement, currently at 53.6% for Hydro (or 67/125 MW) and 47.4% for the Iron  
22            Ore Company of Canada (58/125 MW). The following table shows the forecasted  
23            expenses for the 2013 Test Year.

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**Table 1**

<b>Wabush Terminal Station - Expense</b>	<b>Hydro's Share (53.6%)</b>
	<b>Total Cost</b>
Extraordinary Expenses	
Perform Inspection on Synchronous Condensor #1	\$ 164,222
Perform Inspection on Synchronous Condensor #2	<u>\$ 164,214</u>
Total - Extraordinary Expenses	\$ 328,436 \$ 176,042
Services Fees (3rd and 4th Expansion)	\$ 198,200 \$ 106,235
Weekend Inspections	<u>\$ 24,000</u> <u>\$ 12,864</u>
Total Hydro Wabush Terminal Station Costs	\$ 550,636 \$ 295,141