

1 Q. (Reference 2017 GRA Volume I, page 3.45) Please explain how the NLSO will be
2 funded.

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5 A. The Newfoundland and Labrador System Operator (NLSO) and its operations will be
6 funded by transmission customers through Transmission Service Agreement
7 Schedule charges (referred to collectively as the transmission tariff), which cover
8 Network Integration Transmission Service, Point-to-Point Transmission Service, and
9 Ancillary Services.

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11 Hydro is a transmission customer that will be required to pay the published
12 transmission tariff. As is currently the case, transmission costs incurred by Hydro
13 will continue to be recovered through its customer rates approved by the Board.