Q. **Re: NLH Evidence, Section 2, Schedules**

Please explain why no schedules are provided for Energy Supply and Fuel Expense for the Labrador Interconnected System, for the Isolated Systems or for the L'Anse au Loup System.

A. There are no energy supply and fuel expense schedules for the Labrador Interconnected, Isolated or L'Anse au Loup systems because, although the energy supply for these systems are from more than one energy source, the annual energy supply costs are all primarily related to a single source. This differs from the Island Interconnected System in which annual energy supply costs are influenced by a mix of fuel and other supply sources.

As indicated in Hydro's evidence in Section 2.6.2, the majority of all energy consumed on the Labrador Interconnected System is purchased from CF(L)Co. The only exception is when the gas turbine and diesel generation in Happy Valley-Goose Bay are operated for Labrador Interconnected System outages or system support. As a result, Labrador Interconnected System's energy supply costs are generally related to purchases from CF(L)Co. The costs associated with these purchases are provided in Section 2.6.2 of the Application.

Isolated system energy is supplied by Hydro's diesel plants and by power purchases, however all isolated system energy supply costs are related to the cost of diesel fuel (fuel actually consumed or displaced by power purchases). Historical and forecast energy supply cost for the isolated systems is provided in Regulated Activities Schedule VIII.

L'Anse au Loup system energy is supplied by Hydro's diesel plant and imported energy from Hydro Québec; however L'Anse au Loup system energy costs are all related to the cost of diesel fuel. Historical and forecast energy supply cost for the imported energy from Hydro Québec for the L'Anse au Loup system is provided in Regulated Activities Schedule VIII. The pricing formula and contract for L'Anse au Loup power purchases are provided in Hydro's response to IN-NLH-64.