

1 Q. **Re: IN-NLH-245, IN-NLH-246, IN-NLH-247, IN-NLH-248, IN-NLH-249, IN-NLH-250,**  
2 **Labrador West Transmission Exemption Order**

3 All of these responses refer to the Labrador West Transmission Line. The Labrador  
4 West Transmission Exemption Order indicates (s. 3) that “Hydro is exempt from the  
5 Electrical Power Control Act 1994 and the Public Utilities Act for all planning, design,  
6 construction and contribution activities pertaining to the Labrador West  
7 Transmission Project.”

Given that Hydro is exempt from the application of the PUA and EPCA with respect to the Labrador West Transmission Project, why does it assume that the costs of the line should be recovered through regulated rates?

11 Insofar as the need for the line is dependent on unregulated activities (e.g. the Kami  
12 mine), please explain why the cost of the line should be borne by regulated  
13 customers.

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16 A. The exemption order does not address the specific methods of allocation and cost  
17 recovery to be used for the Labrador West Transmission Project. Hydro observes  
18 that the allocation of costs and transmission rates to be paid by Rural and Industrial  
19 Customers will be regulated rates to be set by the Board.

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21 Please also refer to Hydro's responses to IN-NLH-299 and IN-NLH-311.