

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.

13
14
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.¹

¹ The 2013 forecast was provided in the original RFI response.

Table 1

Wabush Terminal Station - Expense	Total Cost	Hydro's Share (53.6%)
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

- 1 The following update to Table 1 shows Hydro's forecasted expenses at the Wabush
- 2 Terminal Station for 2014.

Table 1 (Update)

Wabush Terminal Station - 2014 Expenses	Total Cost	Hydro's Share (53.6%)
Extraordinary Expenses		
Perform Inspection on Synchronous Condensor #1	\$ 364,348	
Perform Inspection on Synchronous Condensor #2	\$ 253,766	
Carryover Expenses for Work Performed in 2013	<u>\$ 491,408</u>	
Total - Extraordinary Expenses	\$ 1,109,522	\$ 594,704
Services Fees (3rd and 4th Expansion)	\$ 198,200	\$ 106,235
Weekend Inspections	<u>\$ 20,000</u>	<u>\$ 10,720</u>
Total Hydro Wabush Terminal Station Costs	\$ 1,327,722	\$ 711,659

- 1 At the end of 2014 the long-standing TwinCo arrangements expire, so no costs
- 2 related the Wabush Terminal Station are included in Hydro's Labrador
- 3 Interconnected System power purchase costs for the 2015 Test Year.