

1 Q. **Reference: CA-NLH-015**

2 In an effort to determine if assets are being treated in a consistent manner in the 2027 Test Year
3 Cost of Service Study for the Island Interconnected System please provide the following.

4 a) The criteria used to determine classifications and allocations for each generation and
5 transmission asset and the rationale for using the criteria.

6 b) The planning criteria used to plan the IIS and those that influence classifications and
7 allocations in the cost of service study.

8 c) The forecast capacity reserve margin in 2027 and the target capacity reserve margin in
9 2027.

10 d) Any adjustments to the 2027 Test Year Cost of Service Study that Hydro has made to
11 account for differences between the forecast capacity reserve margin and the target
12 capacity reserve margin.

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15 A. a) Please refer to Newfoundland and Labrador Hydro's response to CA-NLH-109 of this
16 proceeding, which addresses changes to specific assets since the 2017 General Rate
17 Application, and Schedule F 2.3A Functional Classification of Net Book Value.

18 b) The planning criteria used to plan the Island Interconnected System do not influence the
19 classifications and allocations in the Cost of Service Study.

20 c) Due to the significant change in system characteristics that will result following the
21 retirement of Holyrood Thermal Generating Station, it is not appropriate to apply the long-
22 term planning reserve margin calculated for the year 2032 in the 2024 Resource Adequacy
23 Plan in the 2027 Test Year.

24 The forecast capacity reserve margin in 2027 is 55%.

- 1 **d)** No adjustments were made to the 2027 Test Year Cost of Service Study to account for any
- 2 changes to reserve margin.