Q. **Reference: Vol. I, Ch. 6, secs. 6.2–6.2.1, pp. 6.2–6.4 (PDF pp. 176–178) (implementation of Board Order No. P.U. 37(2019), items 1), 4) and 6)); Vol. I, Schedules F 2.1E and F 2.6E (PDF pp. 287–288, 295–296).**

Preamble:

IOC's transmission charge is levied per kilowatt of billing demand on the transmission assets serving the Labrador operations. Board Order No. P.U. 37(2019), reached by agreement with the intervenors, provides that Muskrat Falls Project costs — inclusive of Muskrat Falls generation, the Labrador–Island Link (LIL) and the Labrador Transmission Assets — are recovered through customers on the Island Interconnected System. IOC seeks to confirm it is not being allocated costs of assets that do not serve Labrador Industrial load.

Confirm, consistent with the 2019 Settlement Agreement as approved in Board Order No. P.U. 37(2019) and implemented in the Application (section 6.2, items 1), 4) and 6)), that no costs of the Muskrat Falls Project — including Muskrat Falls generation, the Labrador–Island Link, or the Labrador Transmission Assets — nor any other Island Interconnected System costs are recovered, directly or indirectly, through the Labrador Industrial transmission demand rate; if any such costs are included, quantify the amount and explain the rationale.

A. Newfoundland and Labrador Hydro confirms that the Labrador Industrial transmission demand rate is based on the Labrador Interconnected Cost of Service Study and does not include costs associated with the Muskrat Falls Project, including Muskrat Falls generation, the Labrador-Island Link, or Island Interconnected System costs.