

(Our underlining)

8. In the extract above, the Régie recognized the importance of the regulation of system planning in order to protect existing clients from potential undue discrimination that could result from it.
9. Said principles are worth keeping in mind in the context of investment matters such as the present file.

### 3. **ANALYSIS OF THE MICOUA-SAGUENAY LINE DRIVERS**

10. As per HQT, there are three-two (23) reasons why the current system needs the Micoua-Saguenay Line upgrade: (1) the lower load in the Côte-Nord region and, (2) the closure of Tracy, La Citière and Gentilly-2 power plants that have degraded the system reliability on the Manic-Québec corridor, and (3). According to NEMC, there is another reason, which is that the system needs to fully integrate the capacity of the hydroelectric complex 3 and 4 on the Rivière Romaine (**“La Romaine 3 and 4”**):

“La diminution importante depuis 2013 de la prévision de la demande d’électricité sur la Côte-Nord, combinée à la fermeture des centrales de Tracy, de La Citière et de Gentilly-2, accentue la sévérité de certains événements sur les lignes du corridor Manic-Québec entraînant une dégradation de la fiabilité du réseau de transport principal.”<sup>3</sup>

“Pour obtenir un réseau représentatif avec chacune des solutions, il est aussi requis de considérer l’intégration complète du complexe de La Romaine ainsi que l’ajout d’interconnexions.”<sup>4</sup>

11. One of the reasons for the need for this reliability investment is outside the control of all customers, namely the lower load in the Côte-Nord region. However, the other reasons resulted from HQT’s actions. Who should ultimately, further to a rate case hearing, bear the cost of the investment due to those reasons? NEMC intends to address some of these issues in the following sections.

#### 3.1 **HISTORY OF THE MANIC-QUÉBEC CORRIDOR**

12. The Manic-Québec corridor has long been a major path in the HQT electric network that has faced serious transient and dynamic stability issues. Reviewing its development provides valuable background for this case, because it demonstrates that HQT has considerable knowledge and experience with the unique reliability challenges in the Manic-Québec corridor, and therefore would have immediately recognized the potential for reliability issues when Tracy, La Citière and Gentilly-2 plants closed, and when the load forecast dropped in the Côte-Nord region.

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<sup>3</sup> HQT-1, Document 1, page 8, lines 13 to 17.

<sup>4</sup> HQT-2, Document 1.1, page 18, lines 8 to 10.