

1 Q. LAB-NLH-52 Re: IOC-NLH-021, LAB-NLH-029

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3 **Citation (IOC-NLH-021):**

4 Hydro is currently undertaking a Transmission Planning study to assess the system
5 in western Labrador. This study will involve the technical and economic evaluation
6 of alternatives including the construction of new transmission lines or generation,
7 including additions as referenced in Hydro's 2017 GRA, Evidence, Chapter 5. The
8 study will allow for development of a transmission system expansion plan to deliver
9 least-cost reliable power to forecasted loads.

10 a) When, and in what forum, will this Transmission Planning study be presented to
11 the Board?

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13 b) Please describe any discussions that NLH has had with Hydro-Quebec regarding
14 any role that Hydro-Quebec transmission facilities could play in alleviating
15 capacity constraints in Western Labrador.

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17 c) In the event that new industrial loads seek service in Labrador that would
18 require an expensive increase to transmission capacity, does NLH have the
19 option to a) refuse service, or b) charge the new customer an incremental rate
20 to ensure that other customers are not penalized by the addition? Please
21 elaborate.

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24 A. a) If it is found that capital expenditures are required to meet the load forecast for
25 western Labrador, Hydro would include the Transmission Planning study as part
26 of the capital project proposal to be submitted to the Board for approval. Such a
27 proposal would normally be submitted in the summer of 2018 as part of Hydro's

1 2019 Capital Budget Application. However, if the capital investment is required
2 prior to 2019, Hydro would be required to file a supplemental capital
3 application requesting approval of the capital project to proceed prior to 2019.

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5 b) Hydro has been in discussions with Hydro Quebec and it has been agreed that
6 the utilities will work cooperatively in regional transmission planning for the
7 area. On this basis, a joint analysis will be undertaken to investigate
8 interconnection alternatives that will allow for increased capacity for the benefit
9 of both utilities. The outcomes of this analysis will be included as part of Hydro's
10 Transmission Planning study.

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12 c) In such an event, if an increase in transmission capacity was require to service
13 new customers, Hydro would have to seek the approval of the Board for such
14 capital expenditures. Hydro is prohibited from charging unjust or discriminatory
15 rates as per section 73 of the *Public Utilities Act* and section 3 of the *Electrical*
16 *Power Control Act, 1994*. It falls within the Board's purview to determine
17 whether different rates for the same service would constitute unjust
18 discrimination.