

NLH-LAB-002

Q: RE: Pre-Filed Testimony of the Helios Centre (Mr. Raphals), page 2, section 1.2

"Given the magnitude of the rate impacts should construction of the LWTL be triggered by these loads, there is an urgent need for a detailed report to be presented to the Board on prospective data center loads in Labrador, so that the Board can provide guidance to Hydro, if appropriate, with respect to the signing of additional data center power contracts or service agreements."

Given Hydro's statutory obligation to supply electrical energy upon the terms and conditions that the Board may consider appropriate, please provide and explain the factors that Helios consider relevant to relieve Hydro of this statutory obligation to provide service to a particular customer, such as a data centre, in Labrador?

A. The following is the response of Mr Phil Raphals:

As noted, Hydro's statutory obligation to supply electrical energy is conditioned by the terms and conditions that the Board may consider appropriate. The question is thus not whether or not Hydro should be relieved of its statutory obligations, but what terms and conditions should apply.

In many jurisdictions, utilities have discretion with respect to serving new large loads. For example, s. 10.6 of Hydro-Québec's tariff states:

Restriction concerning large-power contracts and special contracts

10.6 Hydro-Québec is not obliged to enter into a contract for any new load of more than 50 megawatts or to accede to any request to supply an additional load of more than 50 megawatts or any request from a special contract holder.

Furthermore, as noted in my response to NLH-LAB-004, the BC Hydro tariff provides specifically for "System Reinforcement charges in the event that new distribution-level loads require additions or alterations to BC Hydro's existing transmission system to provide Service via BC Hydro's distribution system".

With regard to determining the appropriate terms and conditions for new customers in situations where providing service requires significant additions or alternations to Hydro's transmission system, I would consider it appropriate for the Board take those additions or alterations into account.