

1 Q. **Re: Network Addition Policy, pages 21-22 (pdf)**

2 Citation:

3 Upon receipt of an Applicant’s Demand request of 1500 kW or greater, Hydro will
4 conduct a preliminary assessment to determine if compliance with the request
5 would require acceleration of the Transmission Expansion Plan.

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7 If acceleration of the Transmission Expansion Plan is required, Hydro will determine
8 the Expansion Advancement Cost. This cost reflects the difference between the cost
9 of acceleration of the Transmission Expansion Plan and the value to existing
10 Customers from plan acceleration. The value to existing Customers will be
11 determined based the forecast reduction in Expected Unserved Energy resulting
12 from the capital advancement. However, the credit provided based on the Expected
13 Unserved Energy value to Customers will not exceed 50% of the cost of acceleration
14 of the Transmission Expansion Plan. The procedures used to determine the
15 Expansion Advancement Cost are provided in Appendix B to this Policy.

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17 The Upstream Capacity Charge will then be computed as the Expansion
18 Advancement Cost less the Basic Capacity Investment Credit and, when applicable,
19 less the Demand Revenue Credit.

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21 a) Please explain what baseline will be used for the timing of the Transmission
22 Expansion Plan, in order to determine whether or not a project results in its
23 acceleration.

24 b) Please provide a numerical example of the computation of the Upstream
25 Capacity Charge for a project of more than 1500 kW which results in
26 acceleration of the Transmission Expansion Plan.

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1 A. Questions relating to the “Labrador Interconnection System Transmission Expansion
2 Study” and the “Network Additions Policy,” filed by Newfoundland and Labrador
3 Hydro on October 31, 2018 and December 14, 2018 respectively, are not relevant
4 for this proceeding. The Board of Commissioners of Public Utilities has indicated by
5 letter dated November 20, 2018 and email dated December 20, 2018, both of which
6 were received by all intervenors, that a separate process will be established in
7 relation to those two filings.