

1 Q. **Re: Network Addition Policy**

2 Preamble:

3 Because the increments of transmission expansion projects are “lumpy”, it is
4 possible that a relatively small demand request may result in the need to proceed
5 with a relatively large expansion project.

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7 For a hypothetical situation where a 5 MW demand request results in a \$20 M
8 expansion project, please estimate:

9 a) the Upstream Capacity Charge that would be required of the customer,

10 b) the resulting annual revenue requirement increase,

11 c) the annual revenue requirement increase that would be borne by existing
12 customers, and

13 d) the resulting average rate increase, once the capital cost is fully included in
14 rate base.

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