

1 Q. **Reference: Labrador Interconnected System Network Additions Policy, Summary Report,**  
2 **Schedule 1, Page 4 of 23.**

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4 The proposed Network Additions Policy includes the following definition for an Industrial  
5 Customer:

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7 “Industrial Customer means a customer in Labrador who is served at  
8 Transmission Voltage; whose Peak Demand is 5,000 kW or more; and whose line  
9 of business is principally related to Industrial Development.”

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11 The definition of an Industrial Customer in Hydro’s Schedule of Rates, Rules, and  
12 Regulations is as follows:

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14 “Any person purchasing power, other than a retailer, supplied from the Labrador  
15 Interconnected bulk transmission grid at voltages of 66kV or greater on the  
16 primary side of any transformation equipment directly supplying the person and  
17 has entered into a contract with Hydro for the purchase of power and energy  
18 (Labrador Industrial Customer).”

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21 Please fully describe Hydro’s reasoning for using a different definition of an Industrial  
22 Customer in the proposed Network Additions Policy than is used in the Rates, Rules &  
23 Regulations. In the response, please explain why Hydro has included (i) the criteria of 5,000  
24 kW or more of peak demand, and (ii) a change from “...supplied from the Labrador  
25 *Interconnected bulk transmission grid at voltages of 66kV or greater on the primary side ...*”  
26 to “...served at Transmission Voltage...”.

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29 A. The *Electrical Power Control Act 1994* SNL 1994 (the “EPCA”) Chapter E-5.1 states that the  
30 rates to be charged on the Labrador Interconnected System should promote the  
31 development of industrial activity in Labrador. However, industrial activity is not defined in  
32 the EPCA. The proposed Industrial Customer definition includes a proposed definition of  
33 Industrial Development to ensure the “Network Additions Policy – Labrador Interconnected  
34 System” reflects the requirement of the EPCA. Newfoundland and Labrador Hydro’s

1 (“Hydro”) proposed definition includes all actions involved in the manufacture, assembly,  
2 or processing of tangible merchandise, or the extraction or processing of raw materials.

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4 The proposed Industrial Customer definition is meant to ensure that only customers that  
5 engage in industrial development are treated as Industrial Customers within the “Network  
6 Additions Policy - Labrador Interconnected System.” Hydro’s proposed Industrial Customer  
7 definition (including the 5,000 kW criteria) is comparable to the Hydro-Québec definition of  
8 an Industrial Customer in the Province of Québec. The definition recognises that Labrador  
9 competes with Québec in attracting industrial activity.

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11 Based on a recent technical review of the setup at the Wabush Terminal Station, Hydro  
12 noted the existing two Industrial Customers in Labrador (Iron Ore Company of Canada and  
13 Tacora Resources) are served at a transmission voltage (46 kV) but are not supplied at  
14 voltages of 66 kV or greater on the primary side of the transformation equipment directly  
15 supplying the customer, as is required in the availability clause of the Labrador Industrial  
16 Transmission Rate. Therefore, Hydro will be filing an application to modify the Industrial  
17 Customer Transmission Rate Availability Clause to be consistent with the proposed  
18 Industrial Customer definition included in the “Network Addition Policy – Labrador  
19 Interconnected System.”