Q. Reference: Network Addition Policy Summary Report, page 3 (p. 6 pdf) Citation 1:

For customer requests that require the acceleration of the LIS Transmission Expansion Plan, Hydro will base its contribution requirement on the difference between the cost of the acceleration of the LIS Transmission Expansion Plan and the value of the benefits to existing customers as a result of accelerating the Transmission Expansion Plan.

Citation 2 (from New York State Public Service Commission, Rider A to New York Municipal Power Agency tariff¹):

C. CUSTOMER COST CONTRIBUTION

paragraph.

A Customer requesting service under this Rider will be responsible for:

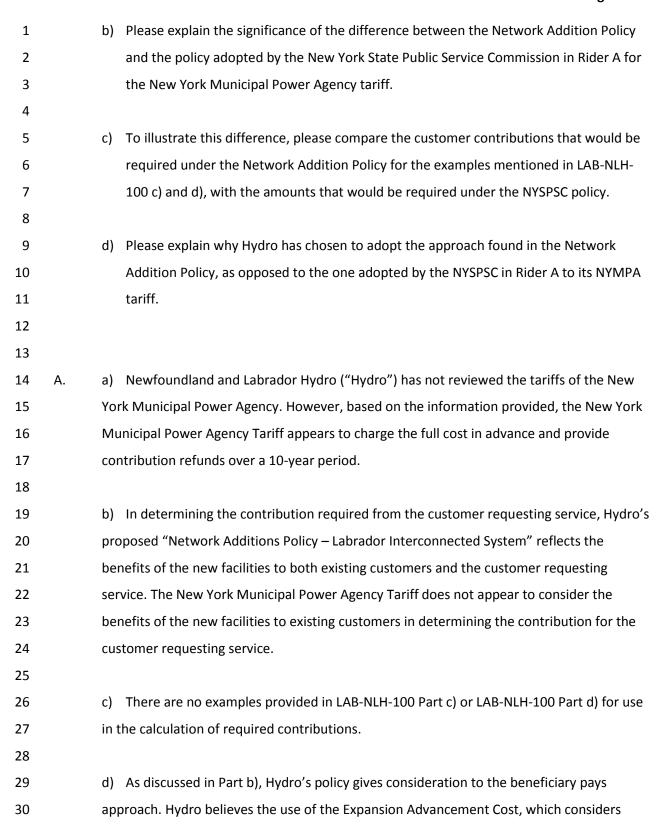
- a. reasonable costs of conducting the feasibility study; and
- service. The payment of these costs will be required, in cash, before new facilities will be constructed. At the end of each full year of service, for the first ten years, the customer will receive a refund equal to the lesser of the annual non-supply related revenues from the customer, or one-tenth of the cost contribution paid by the customer under this

b. the entire cost of any new facilities necessary to supply the requested

a) Please confirm or correct the following statement: The proposed Network Addition Policy differs from the policy adopted by the New York State Public Service Commission for the New York Municipal Power Agency in that, under the Network Addition Policy, a new customer is responsible only for the cost of advancing transmission investments from the date when they would otherwise be required (minus the value of reliability benefits to existing consumers), whereas the NYSPSC policy requires the new customer to pay the entire cost of any new facilities necessary to supply the requested service.

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¹ NYSPSC, Case 18-E-0126, Order Approving Tariff Amendments with Modifications (March 19, 2018), page 7.



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1	both the cost of acceleration of the Labrador Transmission Expansion Plan and the benefits
2	to existing customers of the acceleration of the plan, is consistent with the beneficiary pays
3	approach. Hydro's position that the beneficiary pays approach is the appropriate concept
4	to follow is further explored in Hydro's "Network Additions Policy Review," filed with the
5	Board on October 1, 2018.