

NLH-LAB-001. Re: “Newfoundland and Labrador Hydro’s Proposed Network Addition Policy and Transmission Expansion Study”, Section 2.3.2, page 13.

Please confirm Mr. Raphals is recommending the inclusion of Alternative 17 (i.e., a new \$153 million transmission line to Quebec) in the derivation of the Expansion Cost per kW to apply to load requests that do not contribute to advancement of the system expansion plan.

RESPONSE:

Yes, Mr. Raphals is recommending that the cost of Alternative 17 be included in calculating the Expansion Cost per kW (Unit Expansion Cost), because the TES indicates that it is the preferred alternative to meet incremental load beyond the baseline forecast. He recognizes that this Expansion Cost is applied to projects that are deemed not to require advancement of the system expansion plan. It should be noted that even projects which do not on their own cause advancement of the system expansion plan may nevertheless contribute to it by virtue of their incremental, cumulative effects.