

1    **Q:    Reference: “Review of Existing and Proposed Network Additions Policies for**  
2    **Newfoundland and Labrador Hydro,” The Brattle Group, November 19, 2019,**  
3    **Executive Summary, Background, p. 3.**  
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5           **Regarding the treatment of data centers and cryptocurrency**  
6           **loads that are a driving force behind load growth in Labrador,**  
7           **other jurisdictions that have dealt with an influx of these**  
8           **customer types have developed specific rate classes for them**  
9           **that require a combination of interruptible tariffs and financing**  
10          **or full cost responsibility of network upgrades.**  
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- 12          **a) Do most utilities in Canada include cryptocurrency customers in their**  
13          **existing rate classes or treat cryptocurrency customers as a separate class?**  
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15          **b) Please confirm that Government direction supported the development of a**  
16          **specific cryptocurrency rate in Quebec.**  
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18          **c) Has Brattle reviewed provincial legislation to determine if a specific rate**  
19          **for cryptocurrency customers would be considered unjustly**  
20          **discriminatory?**  
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22          **d) Is it Brattle’s opinion that an industry-specific rate design is essential for**  
23          **cryptocurrency mining operations or merely a plausible approach? If**  
24          **customer-specific fees for cost recovery are utilized, is there a need for a**  
25          **special rate?**  
26  
27          **e) Are industry-specific rates in common use in North America? If so, what**  
28          **makes such a rate desirable generally, and do those characteristics apply**  
29          **here?**  
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- 31    **A.    a) Brattle’s research on cryptocurrency in Canada focused on Québec and Alberta.**  
32          **In Québec, an interruptible rate was developed for cryptocurrency customers,**  
33          **as described on pages 38-39 of the Brattle Report. In Alberta, a cryptocurrency**  
34          **customer (Hut 8) and the city of Medicine Hat negotiated a contract for 42 MW**  
35          **of service.**  
36  
37          **b) Confirmed.**  
38  
39          **c) Brattle has not undertaken a review of provincial legislation, and the question**  
40          **appears to require a legal determination.**

- 1           d) For an economic perspective on separate rate class for cryptocurrency  
2           customers, please refer to the response to LAB-PUB-006. We have not formed  
3           an opinion of whether a separate rate class is essential.  
4
- 5           e) We have not surveyed how common industry-specific rates are in North  
6           America. Generally, industry-specific rates are instituted when the  
7           characteristics of an industry customer group differ from the existing rate  
8           classes significantly. Brattle has not performed studies to determine whether a  
9           new rate class may be appropriate for cryptocurrency customers. Please refer  
10          to the response to LAB-PUB-006.