

- 1 **Q:** Please explain the recommended Network Additions Policy based on the “but
2 for” contribution approach in the context of future upgrades that may be
3 identified as part of Hydro’s annual transmission system assessments in
4 consideration of the following:
5
- 6 a) If a customer interconnection would result in an advancement of
7 transmission system expansion from Year 10 in the future to Year 2 in the
8 future, would the customer be allocated any cost for the advancement? If
9 not, why not?
10
- 11 b) If a customer interconnection would result in an advancement of
12 transmission system expansion from Year 10 in the future to the current
13 year, would the customer be allocated the full project cost (net of projected
14 revenue recovery)?
15
- 16 c) Please explain the rationale for the difference in the customer contribution
17 required between the response to a) and b).
18
- 19 A. a) Whether or not the customer would be allocated costs depends on the
20 parameters that the Board may eventually approve to specify the “but for”
21 analysis process. If the Board approves a system impact study that includes a
22 10 year time horizon in its base case (i.e., all transmission investments planned
23 over the next 10 years are assumed to have been built in the base case), then the
24 customer may be charged an advancement cost if the need for an investment is
25 advanced and it causes some effect on the company’s costs, actions, planning
26 in a near-term time horizon. For example, advancing from year 10 to year 8
27 will not have the same effect on the company compared to advancing from year
28 10 to year 2. In the latter case, the company would likely need to begin planning
29 and incurring out of pocket or internal costs for year 2 deployment.
30
- 31 The choice of time horizon is necessarily dependent upon the planning practices
32 of the transmission planner. The investments included in the base case should
33 reflect investments that have already been approved by the Board.
34
- 35 b) Please refer to the response in part a.
36
- 37 c) Please refer to the response in part a.