

1 Q. **Reference: Volume II, 2022 Capital Projects over \$200,000 but less than \$500,000, Additions**
2 **for Load (2022) – Mary’s Harbour Service Conductor, page 67, lines 1-4.**

3 “In September 2019, Newfoundland and Labrador Hydro (“Hydro”) received a
4 preliminary service request for a new large customer in Mary’s Harbour. This request
5 was revised in March 2020 and indicates that the facility is expected to be in operation
6 during the summer of 2021, and will have a peak demand of 507 kW during the summer
7 and a non-summer peak load of 192 kW.”

8 Will the new large customer in Mary’s Harbour pay a contribution to the total cost of the capital
9 project? If yes, please provide the terms of the contribution in aid of construction. If not, why
10 not?

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13 A. Newfoundland and Labrador Hydro (“Hydro”) applies the General Service CIAC Policy (“CIAC
14 Policy”) approved by the Board of Commissioners of Public Utilities (“Board”) in determining
15 contributions from customers requiring distribution line extensions or three phase upgrades.

16 The requirement to upgrade the service conductor at the Mary’s Harbour Diesel Generating
17 Station is a result of load growth in the area and is not an upgrade as defined in the Board-
18 approved CIAC Policy;¹ therefore, the additional costs are not required to be recovered from a
19 single customer. While customers can be charged for upgrades in the CIAC Policy, upgrade, as
20 defined in the CIAC Policy, means the upgrade of “either (i) single phase line to two phase or (ii)
21 single phase or two phase line to three phase line.” As such, the new customer in Mary’s
22 Harbour will not be required to pay a contribution toward the cost of the proposed project.

23 As indicated above, the terms of the CIAC Policy do not require contributions from the new
24 customer for system modifications to supply the Mary’s Harbour distribution system.

¹ The *Public Utilities Act*, RSNL 1990, c P-47, s. 54 sets forth Hydro’s obligation to serve and the requirement for customer contributions under certain circumstances. The Board-approved CIAC Policy is applied by Newfoundland Power Inc. and Hydro to determine whether contributions are required from customers.

1 Hydro's application proposes to ensure that its customers served by the Mary's Harbour Diesel
2 Generating Station and distribution system have equitable access to an adequate supply of
3 power, as required by the *Electrical Power Control Act, 1994*.²

² *Electrical Power Control Act, 1994*, SNL 1994, c E-5.1, s 3(b)(ii).