

1 Q. **Re: IN-NLH-046**

2 Please indicate whether and to what extent investments for Service Extensions
3 (PO1397, PO1396, PO2158, etc.) are recovered from individual customers.
4 Please clarify, for PO2678, if HPD refers to Hopedale, and the nature of the
5 Additions to Accommodate Load Growth.

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8 A. The extent that investments for Service Extensions are recovered from individual
9 customers is dependent upon customer requests in accordance with Hydro's policy
10 for Contributions in Aid of Construction (CIACs). For 2014, \$120,000 was budgeted
11 as an estimate for CIACs for the Labrador region. Budgeting for 2015 to 2017 will
12 occur in preparation for the filing of the capital budget submission for each year
13 with the Board.

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15 HPD does refer to Hopedale and this project involves the replacement of the
16 substation transformers and service conductors and includes the procurement and
17 installation of four 500 kVA transformers (three plus a spare) and three runs per
18 phase of 750 kcmil copper RW90 service cables. These assets are required in order
19 to meet the electricity needs of Hydro's customers serviced by Hopedale's diesel
20 plant so that sufficient generation capacity is available to meet system firm
21 demand. It is forecast that the growing demand of Hopedale will otherwise result
22 in an overload on the substation transformers and service conductors by the winter
23 of 2014/2015.