

1 Q. **Reference: Application**

2 For each Island Industrial customer, please provide:

- 3 a) The connection agreement with the customer.
- 4 b) The operating and maintenance costs incurred in each of the last five years on the  
5 connection facilities that benefit only that customer.
- 6 c) The amount of capital spent in each of the past five years on the connection facilities  
7 that benefit only that customer.
- 8 d) The amount of capital included in the 2024 Capital Budget Application in 2024 through  
9 to 2028 that is proposed to be spent on the connection facilities that benefit only that  
10 customer.
- 11 e) The amount of capital and operating and maintenance cost that has been recovered in  
12 each of the past 5 years, and the amount that is proposed to be collected through 2028,  
13 directly from the Island Interconnected customer that benefits from the dedicated  
14 supply facilities.

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17 A. a) The Power Service Agreements for each Island Industrial Customer are available on the  
18 Board of Commissioners of Public Utilities (“Board”) website as part of the corresponding  
19 Board Order approving each agreement, including:

20 • Braya Renewable Fuels (Newfoundland) LP (“Braya”) [formally North Atlantic Refining  
21 Limited Partnership];<sup>1</sup>

22 • Teck Resources Limited (“Teck Resources”);<sup>2</sup>

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<sup>1</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2014), Board of Commissioners of Public Utilities, February 3, 2014, <<http://www.pub.nl.ca/PU/orders/2014/pu2-2014.pdf>>.

<sup>2</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 1(2007), Board of Commissioners of Public Utilities, January 18, 2007, <<http://www.pub.nl.ca/PU/orders/2007/pu1-2007.pdf>>.

- 1           ● Linde Canada Limited (formally Praxair Canada Inc.);<sup>3</sup>
- 2           ● Corner Brook Pulp and Paper Limited (“CBPP”);<sup>4</sup>
- 3           ● Vale Newfoundland and Labrador Limited (“Vale”);<sup>5</sup> and
- 4           ● Marathon Gold.<sup>6</sup>
- 5           **b)** It is Newfoundland and Labrador Hydro’s (“Hydro”) opinion that the information requested
- 6           is not necessary for a satisfactory understanding of the matters to be considered in the 2024
- 7           Capital Budget Application as required by the *Board of Commissioners of Public Utilities*
- 8           *Regulations, 1996*.<sup>7</sup>
- 9           **c)** Please refer to Table 1 for a summary of the Island Industrial capital additions, which went
- 10           into service over the past five years:<sup>8</sup>

**Table 1: Summary of Island Industrial Capital Additions (\$000)**

<u>Year</u>	<u>Amount</u>
2018	1,880
2019	-
2020	-
2021	5
2022	4

- 11           **d)** The total amount of planned capital expenditure included in Hydro’s 2024–2028 five-year
- 12           capital plan by Island Industrial Customer is provided in Table 2.<sup>9</sup>

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<sup>3</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 9(2013), Board of Commissioners of Public Utilities, April 3, 2013, <<http://www.pub.nl.ca/PU/orders/2013/PU9-2013.pdf>>.

<sup>4</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 4(2021), Board of Commissioners of Public Utilities, January 26, 2021, <[http://www.pub.nl.ca/PU/orders/2021/P.U.%204\(2021\).pdf](http://www.pub.nl.ca/PU/orders/2021/P.U.%204(2021).pdf)>.

<sup>5</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 6(2012), Board of Commissioners of Public Utilities, March 9, 2012, <<http://www.pub.nl.ca/PU/orders/2012/PU6-2012.pdf>>.

<sup>6</sup> As approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 34(2022), Board of Commissioners of Public Utilities, November 25, 2022, <[http://www.pub.nl.ca/PU/orders/2022/P.U.%2034\(2022\).pdf](http://www.pub.nl.ca/PU/orders/2022/P.U.%2034(2022).pdf)>.

<sup>7</sup> Nfld. Reg. 39/96, s 14.

<sup>8</sup> Please note that this includes all active assets which went into service for the period indicated. In the event an asset was retired, it would be excluded from the analysis.

<sup>9</sup> Future capital expenditures subject to estimate refinement at time of proposal.

**Table 2: Planned Capital Expenditures (\$000)**

Customer	Planned Capital Expenditure
Braya	634.0
Vale	652.8
Teck Resources	93.1
CBPP	-

- 1           e) Table 3 provides the amount of capital cost that has been recovered from 2018 to 2022, and  
2           the forecast recovery for 2023 and 2024.

**Table 3: Capital Cost Recovery<sup>10</sup> (\$000)**

	Actuals					Forecast <sup>11</sup>	
	2018 <sup>12</sup>	2019 <sup>13</sup>	2020	2021	2022	2023	2024
CBPP	96,352	8,770	8,770	8,770	8,770	8,770	8,770
Braya	83,117	76,596	76,596	76,596	76,596	76,596	76,596
Teck Resources	2,896	2,699	2,699	2,699	2,699	2,699	2,699
Vale	49,534	46,262	46,262	46,262	46,262	46,262	46,262
<b>Total</b>	<b>231,899</b>	<b>134,327</b>	<b>134,327</b>	<b>134,327</b>	<b>134,327</b>	<b>134,327</b>	<b>134,327</b>

- 3           Table 4 provides the amount of operating and maintenance cost that has been recovered  
4           from 2018 to 2022, and the forecast recovery for 2023 and 2024.

<sup>10</sup> Capital costs include depreciation and return on debt and equity.

<sup>11</sup> 2023 and 2024 forecasts are based on the 2019 Test Year Cost of Service. Recovery amounts for 2025 to 2028 are expected to be based on a 2025 Cost of Service to be filed in the next general rate application ("GRA").

<sup>12</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.

<sup>13</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.

**Table 4: Operating and Maintenance Cost Recovery (\$)**

	Actuals					Forecast <sup>14</sup>	
	2018 <sup>15</sup>	2019 <sup>16</sup>	2020	2021	2022	2023	2024
CBPP	4,641	4,541	4,541	4,541	4,541	4,541	4,541
Braya	29,612	31,082	31,082	31,082	31,082	31,082	31,082
Teck Resources	48,583	49,090	49,090	49,090	49,090	49,090	49,090
Vale	98,065	99,090	99,090	99,090	99,090	99,090	99,090
<b>Total</b>	<b>180,901</b>	<b>183,803</b>	<b>183,803</b>	<b>183,803</b>	<b>183,803</b>	<b>183,803</b>	<b>183,803</b>

- 1 Table 5 provides the total amount of capital, operating and maintenance cost that has been  
2 recovered from 2018 to 2022, and the forecast recovery for 2023 and 2024.

**Table 5: Total Capital, Operating and Maintenance Cost Recovery (\$)**

	Actuals					Forecast <sup>17</sup>	
	2018 <sup>18</sup>	2019 <sup>19</sup>	2020	2021	2022	2023	2024
CBPP	100,993	13,311	13,311	13,311	13,311	13,311	13,311
Braya	112,729	107,678	107,678	107,678	107,678	107,678	107,678
Teck Resources	51,479	51,789	51,789	51,789	51,789	51,789	51,789
Vale	147,599	145,352	145,352	145,352	145,352	145,352	145,352
<b>Total</b>	<b>412,800</b>	<b>318,130</b>	<b>318,130</b>	<b>318,130</b>	<b>318,130</b>	<b>318,130</b>	<b>318,130</b>

<sup>14</sup> 2023 and 2024 forecasts are based on the 2019 Test Year Cost of Service. Recovery amounts for 2025 to 2028 are expected to be based on a 2025 Cost of Service to be filed in the next GRA.

<sup>15</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.

<sup>16</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.

<sup>17</sup> 2023 and 2024 forecasts are based on the 2019 Test Year Cost of Service. Recovery amounts for 2025 to 2028 are expected to be based on a 2025 Cost of Service to be filed in the next GRA.

<sup>18</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.

<sup>19</sup> 2018 recovery is based on the 2018 Cost of Service for Revenue Deficiency and 2019 recovery is based on the 2019 Test Year for rate setting. The timing difference in the cash collections is due to the implementation of rates resulting from the 2017 GRA Compliance Application on October 1, 2019.