

1 Q. In total for 2023 and 2024, Braya Fuels (Newfoundland) LP (“Braya”) has already been called
2 upon to make contributions to Hydro terminal station asset renewal expenditures in the
3 aggregate amount of \$0.46 million (\$28,000 in 2023 to the CBC T1 and T2 bushings replacement;
4 \$391,600 in 2024 for the CBC T1 and T2 bushings replacement; and \$41,000 in 2024 for the CBC
5 T1 and T2 protective relays replacement). Hydro’s 2025 Capital Budget Application proposes
6 that Braya make a further contribution, in the total amount of almost \$0.39 million in 2025, for
7 the CBC T1 and T2 protective relays replacement. This would result in total contributions from
8 Braya for the 2023-2025 period of \$0.85 million. Braya does not dispute the prudence of these
9 terminal station asset renewal expenditures, nor their specific assignment to Braya. However,
10 Braya submits that it is reasonable, where such substantial capital expenditures are being made
11 over a short period of time, that there should be a mechanism to mitigate the year over year
12 contributions to be paid by the the Hydro customer to which these expenditures are specifically
13 assigned. Can Hydro propose an amortization or other staging of the proposed Braya
14 contribution of \$0.39 million so that the Braya contribution may be made over multiple years? If
15 yes, please provide in detail the elements of such a proposal, with illustrative calculations. If no,
16 please explain in detail why such a proposal would not be possible, with illustrative calculations
17 demonstrating why such a proposal could not be implemented without material prejudice to
18 Hydro or Hydro’s customers.

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21 A. Newfoundland and Labrador Hydro (“Hydro”) must apply to the Board of Commissioners of
22 Public Utilities (“Board”), pursuant to section 41(5) of the *Public Utilities Act*,¹ prior to making a
23 demand for contributions from its customers a contribution towards the cost of improvements
24 or additions to its property. If the Board approves the proposed contributions, Hydro can work
25 with the customer to ensure that the collection of that contribution is reasonable while not
26 impacting Hydro or Hydro’s customers.

¹ *Public Utilities Act*, RSNL 1990, c P-47.