1 IN THE MATTER OF

- 2 The Electrical Power Control Act, 1994,
- 3 SNL 1994, Chapter E-5.1 (the "*EPCA*")
- 4 and the *Public Utilities Act*, RSNL 1990,
- 5 Chapter P-47 (the "Act"), as amended, and
- 6 regulations thereunder; and
- 7 8 **IN THE MATTER OF** Order No. P.U. 43(2017)
 - 9 in relation to Hydro's 2018 Capital Budget application;
- 10 and
- 11
- 12 IN THE MATTER OF a review of Network Additions
- 13 Policy and Transmission Expansion Study for the Labrador
- 14 Interconnected System.

PUBLIC UTILITIES BOARD REQUESTS FOR INFORMATION

PUB-NLH-086 to PUB-NLH-099

Issued: June 11, 2020

1 2 3 4 5 6	PUB-NLH-086	Please refer to "Labrador Interconnected System Network Additions Policy Summary Report" at 4-5, which states: "Any funds contributed through the Upstream Capacity Charge will be used to reduce customer impacts that would occur as new transmission investments are required to serve load growth."
7 8 9 10		Please explain how Hydro proposes to treat funds collected under Upstream Capacity Charges based on the Expansion Cost per kW and that are not needed to fund an immediate investment.
11 12 13 14 15 16 17 18 19 20 21 22 23	PUB-NLH-087	 Please refer to "Labrador Interconnected System Network Additions Policy Summary Report" at 6-7, which states: "EUE is a measure of the amount of customer demand not served due to capacity shortfalls. For the purposes of Network Additions Policy analysis, EUE is valued using the approximate cost of backup generation based on the projected costs of gas turbine fuel. Such approach serves as a proxy for reliability to customers." a. Please explain how the upgrades included in the LIS Transmission Expansion Plan would affect reliability for industrial and retail customers. b. Please explain how the upgrades included in the calculation of the Expansion Cost per kW would affect reliability for industrial and retail customers.
24 25 26	PUB-NLH-088	Please provide the SAIDI and SAIFI statistics for the Labrador East, Labrador West, and Hydro Rural Island for the past five years.
27 28 29 30	PUB-NLH-089	Please provide any analysis performed by Hydro to compare potential valuations of reliability, including any value of lost load studies, to the projected costs of gas turbine fuel.
31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47	PUB-NLH-090	 Please refer to "Labrador Interconnected System Transmission Expansion Study" dated Revised April 3, 2019, Section 2.3, "Transmission Planning Criteria", page 9 lines 9-17 and page 10 lines 4-8: a. Please describe and explain the modification of Hydro's approach to transmission planning for the Labrador Interconnected System that is referenced on page 9 lines 9-11. b. Please define the "rigid" transmission planning criteria that is referenced on page 9 lines 11-12. c. Please provide any studies and analyzes that support the conclusion on page 9 lines 16-17. d. Refer to page 9, lines 16-17, please provide an estimate of the costs of applying a strict application of transmission planning criteria on the LIS. e. Refer to page 10, lines 4-5, are any transmission planning criteria applied for the alternatives? If so, please describe the transmission planning criteria that are used. f. Refer to page 10, lines 5-8,

1 2 3 4 5 6 7 8	 i. How does Hydro determine the rate levels that are acceptable to consumers for the level of reliability referred to in line 7? ii. Does Hydro have estimates of how much consumers value different levels of reliability? If so, is that used in the analysis of the alternatives considered? If Hydro does have estimates of how much consumers value different levels of reliability but does not use it in the analysis of the alternatives, please explain why it is not used.
 PUB-NLH-091 11 12 	Please provide load forecasts performed by Hydro for Labrador East and Labrador West for the period 2014-2019.
12 13 PUB-NLH-092 14 15 16	Please explain how frequently Hydro proposes to update the LIS Transmission Expansion Plan. If Hydro does not intend to update its plan on a preset schedule, please explain what would trigger Hydro to update the LIS Transmission Expansion Plan?
17 18 PUB-NLH-093 19 20 21 22	Please explain how frequently Hydro proposes to update its Expansion Cost per kW estimates. If Hydro does not intend to update the Expansion Cost per kW estimates on a preset schedule, please explain what would trigger Hydro to update the estimates?
22 23 PUB-NLH-094 24 25	Please summarize the criteria and the violations of those criteria which initiate new capital investments.
26 PUB-NLH-095 27 28 29 30 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47	 Hydro plans to invest approximately \$28 million in Labrador West in addition to the \$20 million recently invested in Labrador East. These projects will create additional capacity to serve customers and increase reliability. One of the concerns with the "but for" approach that Hydro has articulated is that a large customer could materially accelerate the requirement for a transmission upgrade and not pay a contribution. The subsequent customer that triggers the investment would be required to pay for the next capital investment which Hydro states creates fairness issues. a. Does Hydro agree that if a "but for" approach was already in place that the investments in Labrador East and the upcoming Labrador West investments would be recovered from the existing customers that prompted the investments and new customers that would avail of the capacity created from those investments and, as such, would significantly mitigate or eliminate those fairness issues? b. Given that the combined recent and upcoming \$48 million capital investments in Labrador East and Labrador West constitute the largest investment on the Labrador Interconnected system in the past ten years has Hydro considered implementing a "but for" approach with the Network Additions Policy that would enable these investments to be factored into the determination of the contribution that new customers would have to pay in order to avail of the capacity created via these investments?

1 2 3		i. If yes, please outline the reason(s) for Hydro choosing to not adopt a "but for" approach that incorporated such a contribution mechanism.
4		ii. If no, please outline what advantages and disadvantages that
5		Hydro perceives with such an approach in comparison to its
6 7		proposed approach.
8	PUB-NLH-096	Please confirm that Hydro is not proposing a separate rate class for
9 10		cryptocurrency customers and provide the reasons for not doing so.
10 11 12 13	PUB-NLH-097	Please confirm that cryptocurrency customers would not be considered Industrial Customers under the proposed definition and provide the distinction between an Industrial Customer and a cryptocurrency customer.
14 15 16 17	PUB-NLH-098	Please advise, if there is no separate rate class and the Industrial Customer rate class doesn't apply, which rate class will be used for cryptocurrency customers.
19 20 21	PUB-NLH-099	Please detail how the proposed Network Additions Policy addresses the concern that pressure on the Labrador Transmission System is being created by the increase in peak demand due to forecast data center activity.

DATED at St. John's, Newfoundland this 11th day of June 2020

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per

Cheryl Blundon

Board Secretary