1 Q. Reference Application Rev. 1, Volume 2, Additions for Load Growth – Happy Valley Line 7

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Why is the load growing in this area and why does Hydro expect load growth to continue?

A. Chart 1 displays historical year end customer counts for the combined communities of Sheshatshiu and North West River which represent the bulk of the loads supplied by Happy Valley Line 7.

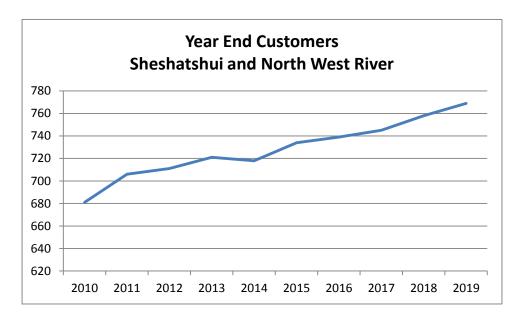


Chart 1: Historical Year End Customer Counts for Sheshatshiu and North West River

In the past decade, the number of customers has increased by 12.9% resulting in increased power and energy requirements for this area. Growth in Sheshatshiu has been experienced in both domestic and general service customer classes while North West River has experienced domestic growth.

In recent years, the federal government has allocated funding to help address housing as well as inadequate community/government facilities and infrastructure within aboriginal communities contributing to load growth in both residential and general service customer groups. In 2018,

the Sheshatshiu First Nation Band Council had 32 new homes built, the most in a single year, but
the backlog of those waiting for housing was reported to be almost five times that.

In addition to the commercial loads indicated in the Additions for Load Growth - Happy Valley
Line 7 report, Hydro expects load growth for Happy Valley Line 7 to continue through the
medium and longer term primarily because continued expansion of the domestic customer base
within the area is expected.

¹ Maher, D. "Housing needs top of mind in Sheshatshiu as PC Leader Ches Crosbie tours Labrador Towns," The Telegram May 10, 2019 (originally published May 9, 2019) https://www.thetelegram.com/news/local/housing-needs-top-of-mind-in-sheshatshiu-as-pc-leader-ches-crosby-tours-labrador-towns-310025/>

² "2021 Capital Budget Application," Newfoundland and Labrador Hydro, rev 1, August 7, 2020 (originally filed August 4, 2020), vol II, tab 17, at p. 5/1–2.