

1 Q. In Board Order No. P.U. 34(2023), the Board directed Hydro to file an application for new non-
2 firm rates, including a report addressing the Labrador Interconnected System (and Island
3 Industrial Customer) non-firm rate by June 1, 2026.

4 a) Provide a status update on the application and detail any possible implications it may have
5 on current non-firm customers.

6 b) Provide details on any discussions Hydro has had with parties concerning the issues of
7 power distribution and priority for Labrador since the issuance of P.U. 34(2023).

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10 A. a) The Board of Commissioners of Public Utilities (“Board”), in Board Order No. P.U. 34(2023),
11 agreed with Newfoundland and Labrador Hydro (“Hydro”) that the non-firm rates should
12 not be limited upon approval or approved on a pilot basis, as applicants would want
13 certainty to proceed. The Board approved the non-firm rates on the basis that Hydro would
14 continue to gather information as it gained more experience in the provision of non-firm
15 service. The Board found that the non-firm rates should be approved until Hydro had the
16 necessary information and experience to address the outstanding issues. Hydro had noted it
17 would need approximately two winter seasons to collect adequate information, which the
18 Board accepted in setting the date for June 2026 for the report.

19 At present, there is only one customer that has utilized the Non-Firm Rate in Labrador. That
20 customer has not consistently utilized the rate, with usage fluctuating based on the non-firm
21 rate at a particular time. Hydro notes that the current application is attempting to obtain
22 the necessary authorization to facilitate the connection of a second customer. As such,
23 there is insufficient data from which to prepare a comprehensive report, and Hydro feels it
24 is premature for Hydro to propose new non-firm rates. In the absence of sufficient
25 information to complete the report, Hydro will provide separate correspondence with a
26 request for an extension to the June 2026 timeline.

1 **b)** As noted above, Hydro has had only one non-firm customer in Labrador since the approval
2 of the rate. Conversations have been ongoing since the rate was implemented with the
3 customers that had expressed interest at the time of Hydro’s Application for a Non-Firm
4 Rate for Labrador (“Non-Firm Rate Application”)¹ regarding how they would avail of the
5 rate, where they would consider accessing service, and prospective timelines for
6 interconnection. Hydro has not had any discussions regarding the non-firm rate that differ
7 from the information already presented and discussed within the concluded Non-Firm Rate
8 Application.

¹ “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, rev. March 29, 2023 (originally filed September 15, 2022).