

1 Q. Please confirm that the capital expenditures for the Come By Chance T1 and T2  
2 High Voltage Bushings (H1, H2, H3) are the six (6) 2016 expenditures for  
3 "BUSHING..." listed in Table 2 of IC-NLH-103 (Revision 2), and please provide  
4 Hydro's detailed and complete justification for the proposed specific assignment of  
5 each of these capital expenditures to NARL.

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8 A. Hydro confirms that the capital expenditures for the Come By Chance T1 and T2  
9 High Voltage Bushings (H1, H2, H3) are the six (6) 2016 expenditures for  
10 "BUSHING..." listed in Table 2 of Hydro's response to IC-NLH-103 (Revision 2).

11

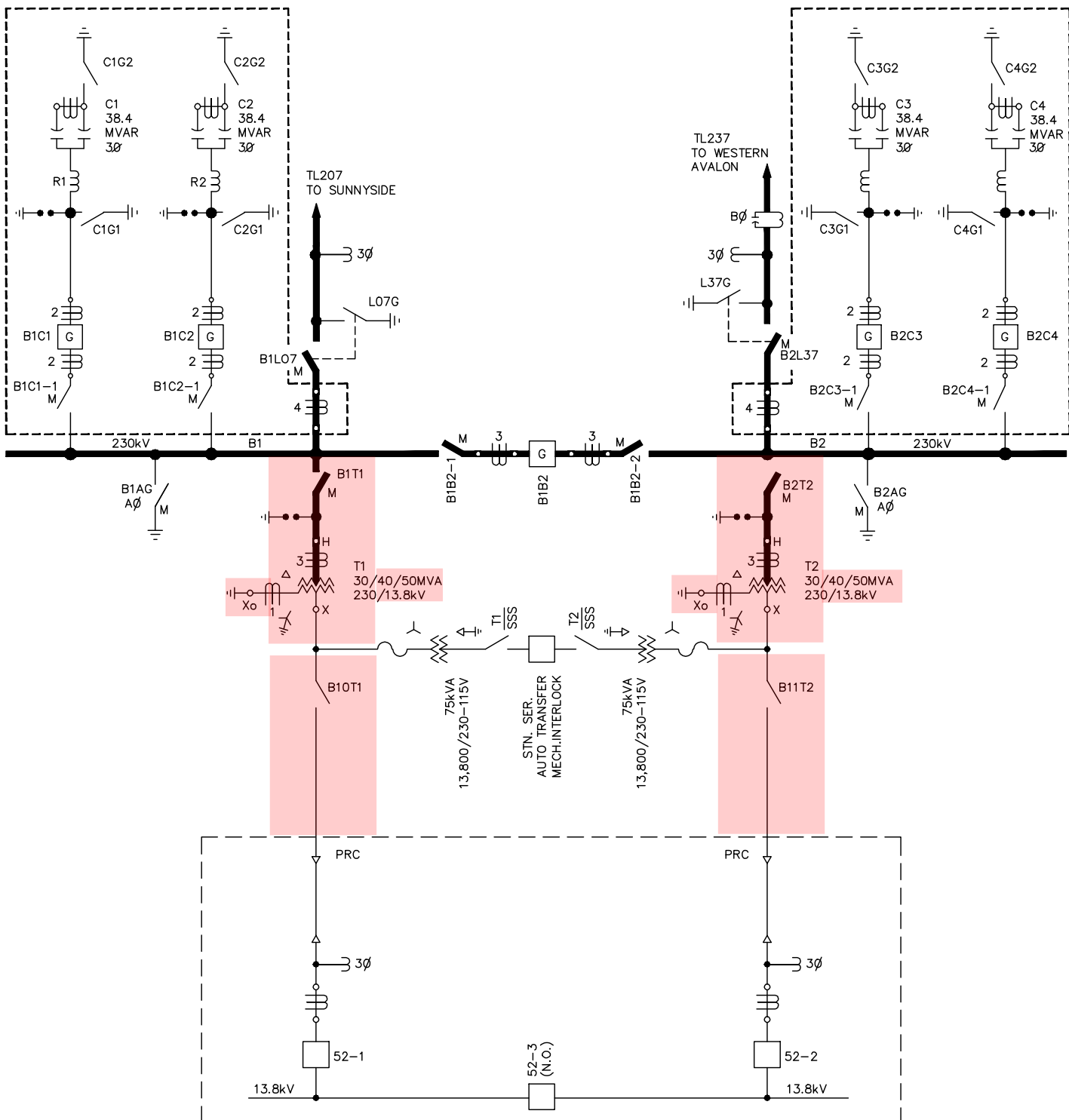
12 Expenditures related to assets which serve a single customer are specifically  
13 assigned to that customer. Prior to 2012, the sole purpose of the Come By Chance  
14 terminal station was to serve North Atlantic Refining Limited, and therefore all  
15 assets and associated expenditures in the Come By Chance terminals station were  
16 specifically assigned to North Atlantic Refining Limited. In 2012, four capacitor  
17 banks were installed at the Come By Chance terminal station, which improved  
18 transmission transfer capabilities to the Avalon. As a result of the new role of the  
19 Come By Chance terminal station, all assets in the station were re-assigned to the  
20 Common customer group with the exception of the high-side disconnect switches  
21 for Transformers T1 and T2 and all equipment downstream, including transformers  
22 T1 and T2, but not including the station service system. These transformers only  
23 serve load to one customer, North Atlantic Refining Limited, and hence are  
24 specifically to this customer.

1 IC-NLH-172, Attachment 1 provides a single line diagram, which depicts the  
2 equipment that is specifically assigned to North Atlantic Refining Limited in the  
3 shaded areas.

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5 During the proceedings for Hydro’s 2018 Capital Budget Application, the Island  
6 Industrial Customer (IIC) expressed concern with the amount of communication  
7 between Hydro and the individually affected members of the IIC regarding projects  
8 and their proposed specific assignments. In Hydro’s Final Written Submission for  
9 the 2018 Capital Budget Application, Hydro recognized the concerns raised by the  
10 IIC. Given that the specific assignments of proposed capital expenditures and their  
11 justification can be complicated, Hydro is committed to engage further with the  
12 individual members of the IIC on this topic. Hydro has proposed that this  
13 engagement include discussions with the members of the IIC on the selection  
14 criteria for specifically assigned assets, and what assets are assigned to the  
15 individual members. As well, Hydro is committed to itemizing and clearly identifying  
16 capital expenditures that it will be proposing be specifically assigned to its industrial  
17 customers in advance with the industrial customers, as well as in all future capital  
18 budget applications.

North Atlantic Refining Ltd Specifically Assigned Assets



**INFORMATION ONLY**

DRAWN BY J.T.	REVISED BY D.R.	NEWFOUNDLAND AND LABRADOR HYDRO	DWG NO
APPROVED BY G. BRODERICK	SYSTEM OPERATING DIAGRAM		REV NO
DATE 2012-02-21	COME BY CHANCE TERMINAL STATION		5