

- 1 Q. **Reference: Network Additions Policy Summary Report, section 2.3.3, page 6 (p. 9 pdf)**  
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3 a) Please confirm or correct the following statement: The addition of a new load which  
4 does not require acceleration of the Transmission Expansion Plan will normally tend to  
5 increase the EUE.  
6  
7 b) Please estimate the increase in the EUE for Labrador East that resulted from the  
8 addition of data centre loads in recent years, and provide the detailed calculations used  
9 in preparing that estimate (in Excel format with all formulas intact).  
10  
11 c) Please estimate the increase in the EUE for Labrador West that resulted from the  
12 addition of data centre loads in recent years, and provide the detailed calculations used  
13 in preparing that estimate (in Excel format with all formulas intact).  
14  
15 d) Please confirm or correct the following statement: Existing users are in no way  
16 compensated for the increase in EUE cost that results from the addition of new users to  
17 the Labrador Interconnected System.  
18  
19 e) Please explain why it is appropriate for existing users to compensate new users for any  
20 reduction in EUE cost that flows from acceleration of the transmission expansion plan  
21 at their expense, but not to be compensated by new users for any increase in EUE cost  
22 that they cause.  
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25 A. a) It is confirmed.  
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27 b) Please refer to LAB-NLH-103, Attachment 1 for calculations for Expected Unserved  
28 Energy (“EUE”) impacts associated with data centres in Labrador East. The EUE impact in  
29 terms of Cumulative Present Value (“CPV”) is calculated to be \$113,600 for Labrador East.

1 c) Please refer to LAB-NLH-103, Attachment 2 for calculations for EUE impacts associated  
2 with data centres in Labrador West. The EUE impact in terms of CPV is calculated to be  
3 \$1,047,600 for Labrador West.

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5 d) It is confirmed under the existing network addition approach. Under the proposed  
6 “Network Additions Policy – Labrador Interconnected System,” if a new customer (or group  
7 of customers) has an interconnection request of 1500 kW or greater within the Labrador  
8 Interconnected System, a System Impact Study would be performed. The study would  
9 include an assessment of customer reliability impacts and would contain recommendations  
10 for system reinforcement if the level of reliability provided to customers is not acceptable.  
11 The new customers would be assigned appropriate cost allocations for these upgrades in  
12 accordance with Network Additions Policy principles. Reliability assessments are not  
13 performed for customer requests less than 1500 kW. As requests of this magnitude should  
14 not have an appreciable reliability impact on the transmission system, such new customers  
15 would be required to pay a contribution to support upstream network additions through an  
16 Upstream Capacity Charge.

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18 Also, the proposed “Network Additions Policy – Labrador Interconnected System” will  
19 charge an Upstream Capacity Charge to new customers which do not accelerate the  
20 Labrador Expansion Plan (i.e., between 200 kW and 1,500 kW). These contributions would  
21 reduce rate base and provide benefits to existing customers by reducing future rate  
22 increases.

23  
24 e) As noted in Part d), the proposed “Network Additions Policy – Labrador Interconnected  
25 System” contains mechanisms to ensure that an acceptable level of reliability is maintained  
26 for existing customers. The “Network Additions Policy – Labrador Interconnected System”  
27 includes “Beneficiary Pays” principles where customers make appropriate contributions for  
28 transmission system upgrades that provide them with a reliability benefit.