

1 Q. **Reference: Labrador Interconnected System Network Additions Policy, Summary Report,**  
2 **Section 2.3.**

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4 How were the demand thresholds of 200 kW and 1500 kW determined? In the response,  
5 please indicate why these thresholds are preferable to the thresholds of 100 kW and 1000  
6 kW used to determine the availability of Rates 2.3L and 2.4L.

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9 A. Using 200 kW as a threshold will be practical to administer as Newfoundland and Labrador  
10 Hydro (“Hydro”) would not expect a large number of new customers requesting greater  
11 than 200 kW.<sup>1</sup> Hydro believes this approach is reasonable given the proposed policy will  
12 impact a small percentage of new customers and will only charge contributions to the  
13 customers that are materially contributing to load growth on the Labrador Interconnected  
14 System. A reduction in the proposed threshold from 200 kW to 100 kW will increase the  
15 required number of customer contributions (approximately double based on the existing  
16 customer distribution) and increase the policy related administrative costs in dealing with  
17 lower load customers that will not be the primary drivers of future transmission  
18 investments. Hydro believes the proposed approach provides the largest return with  
19 limited customer impact.

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21 Hydro was also cognizant of the potential impact on economic development within the  
22 region and believes the 200 kW threshold would not negatively impact small business  
23 development in the area.

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25 The explanation of the use of the 1500 kW threshold is provided in Hydro’s response to  
26 PUB-NLH-057.

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<sup>1</sup> Approximately 95 of the 1,400 existing General Service customers on the Labrador Interconnected System have demand requirements in excess of 200 kW (i.e., 7%).