

1 Q. **Reference page 8, lines 13-15, *Labrador Interconnected System Network Additions Policy***
2 ***Summary Report***

3 It seems that Hydro believes that industrial customers are less likely to relocate than non-
4 industrial customers. Please confirm. If the answer is yes, please provide the evidence, data,
5 support for Hydro's belief.

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8 A. Yes, Newfoundland and Labrador Hydro ("Hydro") believes that industrial customers in
9 Labrador are less likely to relocate than non-industrial customers in Labrador.

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11 The proposed "Network Additions Policy – Labrador Interconnected System" defines an
12 industrial customer as: ". . . a Customer in Labrador who is served at Transmission
13 Voltage; whose Peak Demand is 5,000 kW or more; and whose line of business is
14 principally related to Industrial Development."¹

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16 Industrial Development is defined in the "Network Additions Policy – Labrador Interconnected
17 System as ". . . all actions involved in the manufacture, assembly or processing of tangible
18 merchandise, or the extraction or processing of raw materials."²

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20 Most industrial customers will require the natural resources in Labrador to continue operations.
21 Given the expected reliance of industrial customers on the natural resources in Labrador and
22 the availability of a very low-cost, non-regulated electricity rate for generation costs (slightly
23 more than 2 cents per kWh), Hydro believes industrial customers that are or become
24 established in Labrador are less likely to relocate than non-industrial customers.

¹ At page 4 of 23, filed as part of the "Labrador Interconnected System Network Additions Policy Summary Report," December 14, 2018.

² Ibid.