

1 Q. **Reference: Application, Page 6, Lines 16 - 19**

2 On Page 6 at Lines 16 - 19, Hydro states:

3 Phase 2 (In Service 2030)

- 4 • Install one additional 1,800 kW genset;
- 5 • Construct 50 kilometres of 25 kV distribution line to connect Mary's
- 6 Harbour; and
- 7 • 25 kV voltage conversion of the Mary's Harbour distribution system.

8 Hydro's 2022 Capital Budget Application includes the Additions for Load (2022) – Distribution
9 System – Mary's Harbour Voltage Conversion project for estimated costs of \$550,600 in 2022
10 and \$524,600 in 2023. Is the 25 kV voltage conversion of the Mary's Harbour distribution system
11 identified in the citation and the above-referenced capital budget project one and the same
12 project? If so, please explain the difference in the project timelines. If not, please explain the
13 differences in the projects.

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16 A. The Mary's Harbour Voltage Conversion project identified in Newfoundland and Labrador
17 Hydro's ("Hydro") 2022 Capital Budget Application ("2022 CBA") is one and the same as the
18 voltage conversion identified in the citation above.

19 As noted in Hydro's Additions for Load (2022) – Distribution System – Mary's Harbour Voltage
20 Conversion project report:

21 Voltage conversion of this line is required as part of phase 2 of Hydro's long-
22 term supply plan for southern Labrador, which provides for interconnection of
23 Mary's Harbour to Port Hope Simpson in 2030. Completing the project earlier
24 alleviates the current voltage concerns and will also remove that portion of the
25 2030 scope.¹

¹ "2022 Capital Budget Application," Newfoundland and Labrador Hydro, August 2, 2021, vol. II, tab 16, sec. 4.2.5, p.7/8-11.

1 If approved, the work is scheduled for completion in September 2023² instead of during
2 execution of phase 2 of the long-term supply plan for southern Labrador (currently expected to
3 be 2030).

4 Although Hydro was proposing the voltage conversion project in its 2022 CBA, this scope was
5 also purposefully included in phase 2 of the long-term supply plan for southern Labrador.
6 Including the scope and costs in phase 2 provides full transparency of the work required to
7 interconnect southern Labrador communities and ensures that the associated costs are
8 reflected in the analysis to determine the least-cost solution. Additionally, the regulatory
9 proceeding regarding Hydro’s 2022 CBA is ongoing. It would be inappropriate for Hydro not to
10 include the voltage conversion project in the phase 2 plan based on an assumption that it would
11 be approved in the 2022 CBA in advance of receiving the Board of Commissioners of Public
12 Utilities approval.

² Please refer to “2022 Capital Budget Application,” Newfoundland and Labrador Hydro, August 2, 2021, vol. II, tab 16, sec. 5.0, table 5 for the anticipated project schedule.