

1 Q. **Reference: CA-NLH-035 and CA-NLH-037**

2 a) Does Hydro classify facilities that benefit only one customer as specifically-assigned assets,
3 and facilities that benefit more than one customer as common assets?

4 b) Does Hydro collect costs for specifically-assigned assets from only the customer that
5 benefits from the assets?

6 c) Over the past 5 years has Hydro recovered about \$1.7 million from Island Interconnected
7 customers via specifically-assigned charges?

8 d) How does Hydro recover the costs of specifically-assigned assets from Island Interconnected
9 customers and what policy governs such cost recovery?

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12 A. a) Transmission and sub-transmission assets that serve only one customer are generally
13 specifically assigned to that customer. When an asset serves multiple customer
14 classifications, Newfoundland and Labrador Hydro (“Hydro”) assigns the asset as common.

15 b) Yes, Hydro requires full contribution for capital works undertaken on specifically assigned
16 assets. Operations and maintenance costs for specifically assigned assets are recovered
17 through the cost-of-service model.

18 c) Hydro has received \$1.7 million,¹ from Island Industrial customers via specifically-assigned
19 charges during the five-year period of 2018–2022.

20 d) Hydro requires full contribution for capital works on specifically assigned assets at the time
21 of execution. Currently, Hydro recovers operations and maintenance costs associated with
22 specifically assigned assets from Island Industrial customers via a monthly specifically
23 assigned asset charge on their monthly power invoice. Hydro applies to the Board to recover

¹ As per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 27(2021), Board of Commissioners of Public Utilities, August 18, 2021, the Board of Commissioners of Public Utilities (“Board”) approved a contribution of \$15,814,600 to cover the capital cost to solely provide service to the Marathon Gold Corporation. When production commences, the Marathon Gold Corporation will be an Industrial customer with specifically assigned charges. Since the capital costs have been paid up-front, the specifically assigned charges will only recover the operations and maintenance costs for the specifically-assigned assets.

1 these costs; if approved, these charges become part of Hydro’s Schedule of Rates, Rules and
2 Regulations.²

² Current charges can be found in “Schedule of Rates, Rules and Regulations,” Newfoundland and Labrador Hydro, updated July 1, 2023, p. IND-2.
<https://nlhydro.com/wp-content/uploads/2023/08/2023-07-01_NLH_Schedule-of-Rates-Rules-and-RegulationsIIC-CDM-Update.pdf>.