

- 1 Q. a) Please provide a time frame for when each customer will be made aware of whether
2 charges will be necessary under the Network Additions Policy and provide an estimate of
3 the amount that will be required from each customer.
- 4 b) Please comment on whether the Board should delay its approval of exemptions under
5 Regulation 17 for these customers until it is confirmed whether charges will be necessary
6 under the Network Additions Policy and whether the customer will be willing to pay such
7 charges, if necessary.
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- 10 A. a) Newfoundland and Labrador Hydro (“Hydro”) is currently completing the calculations of the
11 Upstream Capacity Charge for the customers, including determination of any applicable
12 Betterment Credit¹ and other credits pursuant to the *Network Additions Policy*, and
13 anticipates having the final figures to provide to customers in the coming weeks. Hydro is
14 unable to provide an estimate of the amount that will be required from each customer until
15 the betterment credit calculation is completed.
- 16 b) Hydro does not believe it is necessary to delay its approval of exemptions for these
17 customers pending confirmation of charges and whether the customer will be willing to pay.
18 The customers are aware that there will be a cost, pursuant to the *Network Additions Policy*,
19 associated with approval of their service connection. The customers are also aware that
20 they will be required to make the payment prior to being connected.

¹ As noted in the *Network Additions Policy*, a Betterment Credit will apply to reduce the Upstream Capacity Charge if a Transmission Upgrade required to provide service to the Applicant results in substantial improvement of existing structures, facilities or equipment to the benefit of existing customers. The calculation of the Betterment Credit is based on the depreciation assumptions reflected in the determination of the Test Year revenue requirement. In calculating the Betterment Credit, the survivor curves used in the establishment of the approved depreciation rates will be utilized.