Q. (Reference CA-NP-137)

a) Please identify jurisdictions in Canada and elsewhere that recover the costs of facilities that benefit only one customer from customers who do not benefit from the assets.

b) It is stated (part c) "*No, Newfoundland Power will not file an Application for a CIAC for the MUN-T2 or MUN Substation Refurbishment and Modernization Project. The costs associated with providing service to Memorial University are fully recovered through the rates paid by Memorial University.*" Why was a CIAC application filed for an Upgrade to Long Pond Substation when the cost was expected to be fully recovered through the rates paid by Memorial University?

c) It is stated (part g) "*The capital expenditures that are directly attributable to Memorial University would be allocated to the General Service Rate #2.4 customer rate class.*" What other expenditures that are attributable to a Rate 2.4 customer served directly from the 66kV transmission system are allocated to the Rate 2.4 customer rate class?

d) It is stated (part g) "*The remaining $2.1 million in capital expenditures are associated with transmission equipment located at MUN Substation that form part of the 66 kV transmission system serving customers in St. John's Region.*" Please identify the individual transmission equipment and costs at MUN Substation that make up the remaining $2.1 million in capital expenditures.

e) Please identify the individual equipment and costs at MUN and Long Pond Substations that make up the $7.2 million of capital expenditures.

A. a) Newfoundland Power has not completed a review to determine "*jurisdictions in Canada and elsewhere that recover the costs of facilities that benefit only one customer from customers who do not benefit from the assets.*" Newfoundland Power ensures its customer rates are appropriate through adherence to the Company's *Schedule of Rates, Rules and Regulations, Contribution in Aid of Construction ("CIAC") Policy*, and cost of service methodology, all as approved by the Board.

b) Clause 5(e) of Newfoundland Power's *Contribution in Aid of Construction ("CIAC") Policy* for General Service customers ("CIAC Policy") requires the Company to complete detailed cost estimates to determine the cost of an upgrade where the cost of the upgrade is estimated to be greater than $100,000. Clause 10(ii) of the CIAC Policy requires the Company to file an application with the Board when the cost of a line extension or upgrade is calculated pursuant to Clause 5(e). While the cost of upgrades to the Long Pond Substation were in excess of $100,000, the evidence filed in support of the corresponding CIAC application demonstrated that no cost contribution was required from the customer.[1]

c) Memorial University is a 12.5 kV General Service Rate #2.4 customer.[2]

[1] See the Company's *Application for Approval of a Contribution in Aid of Construction ("CIAC") for an Upgrade to Long Pond Substation for Memorial University of Newfoundland*, filed with the Board on February 21, 2023.

[2] See the response to Request for Information CA-NP-266.

Expenditures of approximately $0.8 million associated with 66 kV transmission infrastructure used solely to serve the General Service Rate #2.4 customer at the Lower Cove ("LCV") Substation are specifically assigned to the General Service Rate #2.4 customer rate class.[3]

d) Table 1 provides a breakdown of the capital expenditures associated with the Memorial ("MUN") Substation transmission equipment.[4]

Table 1:
2024 Capital Budget Expenditures
MUN Substation Refurbishment and Modernization
Transmission
($000s)

Equipment	**Cost**
66 kV Circuit Breaker (MUN-12L-B)	240
66 kV Circuit Breaker (MUN-14L-B)	240
66 kV High Voltage Structures	910
High Voltage Switches	180
Protection & Control	530
Total	**2,100**

e) Table 2 provides a breakdown of the capital expenditures associated with the MUN-T2 replacement project.[5]

Table 2:
2023 Supplemental Capital Budget Expenditures
MUN-T2 Replacement
($000s)

Equipment	**Cost**
Power Transformer (MUN-T2)	1,600
Total	**1,600**

[3] The LCV Substation is customer owned. The cost to construct 8.9 kilometers of 66 kV Transmission Line 410L from Abrahams Cove Substation to the LCV Substation included a Contribution in Aid of Construction in 1989.
[4] The capital expenditures were approved by the Board in Order No. P.U. 2 (2024).
[5] The capital expenditures were approved by the Board in Order No. P.U. 14 (2023).

Table 3 provides a breakdown of the capital expenditures associated with the distribution equipment associated with the MUN Substation Refurbishment and Modernization Project.[6]

Table 3:
2024 Capital Budget Expenditures
MUN Substation Refurbishment and Modernization
Distribution
($000s)

Equipment	**Cost**
12.5 kV Circuit Breaker (MUN-T1-B)	140
12.5 kV Circuit Breaker (MUN-T2-B)	140
12.5 kV High Voltage Structures	830
High Voltage Switches	180
Power Transformer Containment/Blast Wall	580
Protection and Control	430
Total	**2,300**

Table 4 provides a breakdown of the capital expenditures associated with serving new load related to Memorial University's electric boiler project.[7]

Table 4:
2023 Capital Budget Expenditures
LPD Substation Capacity Expansion
($000s)

Equipment	**Cost**
12.5 kV Circuit Breaker (LPD-T2-B)	120
12.5 kV High Voltage Structures	260
12.5 kV High Voltage Switches	20
66 kV Circuit Breaker (LPD-B3/T1-B)	160
66 kV Circuit Breaker (LPD-B3/T2-B)	160
66 kV High Voltage Structures	300
66 kV Switches	130
Power Transformer (LPD-T2)	1,830
Protection and Control	320
Total	**3,300**

[6] The capital expenditures were approved by the Board in Order No. P.U. 2 (2024).
[7] The capital expenditures were approved by the Board in Order No. P.U. 38 (2022).