

June 20, 2023

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Board of Commissioners of Public Utilities Prince Charles Building 120 Torbay Road, P.O. Box 21040 St. John's, NL A1A 5B2

Attention: Cheryl Blundon

Director of Corporate Services and Board Secretary

Re: Network Additions Policy – Labrador Interconnected System – Update

On March 17, 2021, the Board of Commissioners of Public Utilities ("Board") approved Newfoundland and Labrador Hydro's ("Hydro") Network Additions Policy – Labrador Interconnected System ("Network Additions Policy"), 1,2 accepting the Settlement Agreement between Hydro and the Labrador Interconnected Group in December 2020. As part of its Order, the Board directed Hydro to file a report on or before July 1, 2023, setting out recommendations with respect to the transition to the "But For" approach as of January 1, 2024."

As the review and studies related to customer applications for service on the Labrador Interconnected System and their implications under the *Network Additions Policy* are ongoing, Hydro does not have all the applicable information upon which to base recommendations regarding a change in approach at this time. The current regulatory calendar, including the Reliability and Resource Adequacy Study and Hydro's anticipated filing of its General Rate Application in 2024, also presents some difficulty in completing the comprehensive review necessary for the report. Hydro proposes to advance reporting to the end of the second quarter of 2025 in order to have the most complete information and to enable the necessary review to make its recommendations.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh

Senior Legal Counsel, Regulatory

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¹ Newfoundland and Labrador Hydro. (2020). *Network Additions Policy – Labrador Interconnected System*. https://nlhydro.com/wp-content/uploads/2021/03/Network-Additions-Policy.pdf

² Public Utilities Act, RSNL 1990, c P-47, Board Order No. P.U. 7(2021), Board of Commissioners of Public Utilities, March 17, 2021.

³ "Newfoundland and Labrador Hydro's Proposed Labrador Network Additions Policy – Settlement Agreement," Newfoundland and Labrador Hydro, December 8, 2020, p. 4, sec. 16.

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