

1 **Q. Reference: Schedule 1, Attachment 1, Appendix A**

2 Why is there only 2.2 MW of forecast growth from 2021 to 2030 in Labrador West? With such  
3 little growth, why has Hydro sought to limit the number of blockchain customers rather than  
4 provide a special rate as did Hydro Quebec?

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7 **A.** The Labrador West load forecast presented in Table 2 of Schedule 1, Attachment 1, Appendix A,<sup>1</sup>  
8 reflects the spring 2020 Labrador load forecast. The forecast was prepared on the basis of  
9 historical trend analysis for this region and would have included load associated with the  
10 reactivation of Wabush Mines by Tacora Resources Inc. in 2018. At the time the forecast was  
11 developed, a temporary restriction on load additions above 200 kW was in place to enable the  
12 provision of reliable service to customers pending completion of the review of the Network  
13 Additions Policy (“Policy”). Service requests that were under review pending implementation of  
14 the Policy were excluded from the Labrador West load forecast

15 Newfoundland and Labrador Hydro (“Hydro”) does not believe it has the legislative authority to  
16 provide a special rate to blockchain customers. Hydro is required to establish rates reflecting  
17 generally accepted utility practice and regulatory principles, including rates being reflective of  
18 the cost to serve.

19 Hydro-Québec has a “Rate for Cryptographic Use Applied to Blockchains.” The rate is unusual as  
20 it applies to one specific type of customer and was implemented in response to direction from  
21 the Québec government.

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<sup>1</sup> “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, September 15, 2022, sch. 1, att. 1, app. A, p. 15 of 24.