Public Utilities Board
NEWFOUNDLAND & LABRADOR
120 Torbay Road • Prince Charles Building, Suite E210 • St. John's, Newfoundland and Labrador • A1A 2G8

2025-12-17

Newfoundland and Labrador Hydro
Shirley Walsh
E-mail: shirleywalsh@nlh.nl.ca

Dear Ms. Walsh:

Re: Newfoundland and Labrador Hydro - Approval of Distribution System Upgrades for English Harbour West and a CIAC for Portion of the Costs - To NLH - Requests for Information

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-007 regarding the above-noted matter.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,

Colleen Jones
Assistant Board Secretary

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ecc **Newfoundland and Labrador Hydro**
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IN THE MATTER OF the **Electrical Power Control Act***, 1994*, SNL 1994, Chapter E-5.1 (the "**EPCA**") and the **Public Utilities Act***,* RSNL 1990, Chapter P-47 (the "**Act**"), as amended, and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval of Distribution System Upgrades for English Harbour West, and for approval of a Contribution in Aid of Construction for a portion of the costs.

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION

PUB-NLH-001 to PUB-NLH-007

Issued: December 17, 2025

PUB-NLH-001 The Upgrade Worst-Performing Distribution Feeders (2025–2027) program ("WPF Program"), approved in P.U. 28(2024), included refurbishment of English Harbour West ("EHW") distribution feeder EHW-L1. The approved WPF Program identified two sections of three-phase line for upgrade. Section 1, approximately 23 kilometres, is also part of the distribution upgrades required for the customer and reflected in the CIAC calculation ("CIAC Project"). The CIAC Project also includes installing a 477 ASC overhead conductor.

(a) Explain whether the increased conductor size caused changes to the distribution structures (poles, cross arms and insulators) on the 23 km section of the existing distribution system and identify the quantity of poles, cross arms, conductor and insulators that are in common between the WPF Program and the CIAC Project.

(b) Provide the detailed calculations of the $3,250,700 for the CIAC Project, including the cost and quantity of poles, cross arms, conductor and insulators and a separate breakdown of the amounts for the 5.5 km extension and the 23 km upgrade.

(c) Explain, in detail, how the already approved WPF Program costs are impacted and how they are treated in the CIAC Project costs, including if there is an anticipated reduction to the WPF Program cost estimate.

PUB-NLH-002 Hydro stated that the proposed CIAC project work, if aligned with the approved WPF Program work, will allow for execution efficiencies. Quantify these efficiencies and how they are reflected in the WPF Program and CIAC Project.

PUB-NLH-003 Hydro stated that the CIAC Project is required to meet the growing needs of the area served by the EHW distribution system.

(a) Has the load forecast changed or increased from that used to support the WPF Program in the 2025 Capital Budget Application? Provide details of any changes or increases.

(b) Provide details on the growing needs of the area served by the EHW Distribution System, including the number of customers served by the EHW Distribution System for each year from 2016 through 2030F and whether new loads, in addition to those of the new customer, are anticipated.

(c) Reconcile this statement with the request for a CIAC, where a project is solely to serve the load requirements of the CIAC customer.

PUB-NLH-004 (a) Reconcile and explain why the economic analysis for least cost evaluation is based on a 20-year period with the CIAC customer indicating an anticipated service life of 35 years for the mine.

(b) Provide the information supplied by the CIAC customer in relation to the mine having an anticipated service life of 35 years.
(c) Provide, in a table format, the calculated load-based investment for an anticipated service life of 15, 20, 25, 30 and 35 years for the mine.

PUB-NLH-005 Schedule 1, page 9, lines 9-13. Hydro states:

"While Alternative 4 is the least-cost alternative to meet the projected system requirements of the distribution system as a result of the customer's request for service, its selection inherently provides additional capacity on the EHW system beyond that required by the customer. Hydro has therefore applied a betterment credit in determining the required customer contribution, calculated as the incremental cost of providing that same capacity increase absent the new customer's load."

(a) When the WPF program was proposed in the 2025 Capital Budget Applications, was additional capacity projected to be available on the EHW system after completion of the work? If so, provide the anticipated additional available capacity in MWs.
(b) Provide the additional capacity, in MWs, anticipated to be available on the EHW system after the WPF program and the proposed CIAC Project are completed. Identify how much of this additional capacity will be used by the CIAC customer.
(c) Explain why a betterment credit was applied when projected load growth for the EHW system would already be served by the approved WPF project and the anticipated additional capacity will be available only as a result of serving the CIAC customer. Address that Hydro has selected the least cost approach to reliably serve the CIAC customer and that Hydro cannot design system upgrades to match the load requirements of the CIAC customer facility.
(d) Is Hydro aware of other CIAC calculations/applications where a betterment credit was applied when additional capacity is available only as a result of serving a new customer's load? If so, provide details.
(e) Provide the load information and the detailed cost estimate for the calculation of the $497,516 betterment credit.
(f) How would Hydro address the betterment credit and the CIAC calculation if the customer's future load requirements materially exceed the demand forecast used in the CIAC calculation and partially or fully utilized the excess capacity reflected in the betterment credit? Please explain.
(g) How would Hydro address the betterment credit and the CIAC calculation if the capital costs of the project materially exceed the estimated costs used in the CIAC? Please explain.

(h) What is the anticipated timeline of additional revenues associated with the capacity which would enable the recovery of the costs reflected in the betterment credit?

PUB-NLH-006 The CIAC Handbook, dated July 1, 2016, defines betterment at page 2:

"Betterment means a substantial improvement of existing structures, facilities or equipment. Betterment includes the replacement or improvement of parts which has the effect of extending the useful life of the property, increasing its capacity, lowering its operating cost, or otherwise adding to its worth through the benefit it can yield."

And also states, at page 33:

"Betterment Credit: If a line upgrade for a customer requires the Company to remove existing plant and replace it with new plant, the customer will receive a credit towards the cost of this new plant. The credit compensates the customer for the extended life the Company will gain from the installation of new plant.

Betterment should be considered for all new plant with the exception of transformers that are removed and placed back into Stores."

Explain how the betterment credit, which has been applied to the CIAC calculation for additional capacity being available on the EHW system, is supported by the criteria of the customer being compensated for the extended life gained from the installation of new plant.

PUB-NLH-007 Provide an explanation and estimate of the annual impact on the rural deficit if the proposed project and CIAC are approved.

DATED at St. John's, Newfoundland this 17th day of December 2025.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Colleen Jones

Colleen Jones
Assistant Board Secretary