

**2018 Capital Budget Application – Muskrat Falls to Happy Valley Interconnection Project**

1 Q. Re: Network Addition Policy, page 8 (pdf)

2 Citation 1:

Table 1  
Derivation of Expansion Costs per kW

Region	Capacity kW	Description	2019 Capital Investment (\$000)	Direct Investment \$ per kW
Labrador East	21,000	Transformer Upgrades at HV-GB	5,000	238
	37,000	Transformer Upgrades at HV-GB and MF Terminal Station	15,000	405
	100,000	Construct second line from MF to HV-GB	50,000	500
Labrador West	33,000	Wabush TS Upgrades and 230 kV uprating	16,500	500
<b>Sub-Total</b>	<b>191,000</b>		<b>86,500</b>	<b>453</b>
O&M <sup>9</sup>				12
<b>Total</b>				<b>465</b>

3 a) Please explain by what process Hydro decided which projects to include in the  
4 derivation of expansion costs.

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6 b) Please explain why the MFHVI project is not included in the derivation of  
7 expansion costs.

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9 c) Please explain why the additional expansion projects planned for Labrador West  
10 are not included in the derivation of expansion costs.

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13 A. Questions relating to the “Labrador Interconnection System Transmission Expansion  
14 Study” and the “Network Additions Policy,” filed by Newfoundland and Labrador  
15 Hydro on October 31, 2018 and December 14, 2018 respectively, are not relevant  
16 for this proceeding. The Board of Commissioners of Public Utilities has indicated by  
17 letter dated November 20, 2018 and email dated December 20, 2018, both of which  
18 were received by all intervenors, that a separate process will be established in  
19 relation to those two filings.