

1 Q. **Reference: Schedule 1 – Long-Term Supply for Southern Labrador – Phase 1**

2 Further to PUB-NLH-009 please provide the screening factors and the analyses that Hydro
 3 employed to dismiss Alternative 4 from consideration.

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6 A. Newfoundland and Labrador Hydro (“Hydro”) removed Alternative 4 (interconnection to the
 7 Labrador Interconnected System) from further analysis due to the magnitude of its estimated
 8 upfront capital cost. Given its upfront capital cost is estimated at more than \$400 million, the
 9 cumulative present worth (“CPW”) for Alternative 4 would also be greater than \$400 million.
 10 Since the CPW of all four of the alternatives Hydro evaluated in its study were substantially
 11 lower than the up-front capital cost of interconnection to the Labrador Interconnected System,
 12 Hydro screened Alternative 4 from further analysis on the basis that its CPW would be materially
 13 higher than the least-cost alternative (Alternative 3a – the proposed phased regional
 14 interconnection).

15 For ease of reference, Hydro has provided a summary of its CPW analysis results in Table 1.

Table 1: CPW Analysis Results (2020–2070)

Alternative	CPW	CPW Difference between Alternative and the Least-Cost Alternative
Alternative 3a – Phased Interconnection	\$153,400,000	\$0
Alternative 3b – Full Interconnection	\$155,300,000	\$1,900,000
Alternative 1 – Mobile Option	\$177,400,000	\$24,000,000
Alternative 2 – New Charlottetown Plant	\$184,700,000	\$31,200,000