

1 Q. **Reference: Supply Cost Accounting Application, Schedule 1, page 6.**

2 Please provide a forecast of operating and maintenance costs and sustaining capital amounts
3 required to be funded by Hydro for 2021 to 2023.

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6 A. The forecasted operating and maintenance costs (“O&M”) that are included under the Muskrat
7 Falls Power Purchase Agreement (“Muskrat Falls PPA”) are provided in Table 1.

**Table 1: Forecasted O&M Costs
Muskrat Falls PPA (\$ Millions)**

Year	Operating Costs	Sustaining Capital	Water Power Rental	Innu Benefits Agreements	Total
2021	6.9	-	3.8	5.8	16.6
2022	27.3	2.0	15.7	6.0	50.9
2023	25.8	1.0	16.0	13.8	56.6

8 In addition to the amounts listed in Table 1, sustaining capital costs may also include the
9 installation of 315 kV reactors at Muskrat Falls Terminal Station 2. Analysis regarding the
10 requirement for this project is ongoing. A preliminary capital cost estimate for this project is
11 approximately \$22 million over the period 2022 to 2024.