

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**
2 **2021, Volume 1, Section 1.2, Sandy Brook Plant Penstock Replacement, Appendix**
3 **A, Attachment D**

4
5 **What marginal cost information was used to calculate the benefits associated with**
6 **the project for the period from 2042 to 2071?**

7
8 A. Marginal cost was escalated by 1.7% annually for the period from 2043 to 2071, which is
9 the average of the Gross Domestic Product (“GDP”) Deflator from 2030-2042.¹

¹ Conference Board of Canada GDP deflator, long term projection dated December 5, 2019.