

1 Q. **I-17; Volume I: 2015 Capital Expenditures to June 30 - Note 3. Labrador West**
2 **Transmission Project - Construction**

3 Please explain how Hydro will treat the \$11.6 million in project costs spent to date if
4 Alderon is unsuccessful in securing additional funding.

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7 A. In the event that Alderon is unsuccessful in securing additional financing and does
8 not proceed with the project, Hydro is entitled to cash the letter of credit and retain
9 proceeds up to the total amount incurred as of that date. Hydro would also assess
10 the construction in progress for potential impairment. There would be no impact to
11 ratepayers.