

1 Q. Does the costing of all projects estimates include AFUDC and Escalation? Has this
2 been incorporated in the CPW analysis and available for review?

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5 A. All project cost estimates (both Interconnected and Isolated scenarios) include
6 escalation.

7 Multi-year regulated projects include an estimate for AFUDC, while single year

8 projects contain no specific provision. For the latter, the details of the AFUDC and

9 escalation were included in the capital cost estimates and cannot be extracted for

10 review.

11 In the case of the Muskrat Falls investment itself, which is non-regulated, interest

12 during construction (IDC) will be rolled up and capitalized as applicable for the

13 capital structure specified. For non-regulated assets, there is no provision to

14 capitalize the cost of equity during construction.

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