

- 1 Q. Further to PUB-NLH-046 please provide the fixed charge rates, including administrative and  
 2 general costs, that would be used for annualizing the capital costs of the supply expansion  
 3 options under consideration in Volume III of the Reliability and Resource Adequacy Study.  
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- 6 A. Administrative and general costs were not considered when analyzing supply expansion  
 7 options as they are assumed to be common to all expansion options. The rates provided in  
 8 Newfoundland and Labrador Hydro's response to PUB-NLH-046 contain all of the fixed  
 9 costs that were accounted for in the "Reliability and Resource Adequacy Study."<sup>1</sup>  
 10
- 11 The Capital Recovery Factor, which was used to convert the capital cost into a levelized  
 12 annual cost, is based on the economic life of the plant and can be found in Table 1.

**Table 1: Capital Recovery Factor**

<b>Plant Type</b>	<b>Expected Service Life (Years)</b>	<b>Capital Recovery Factor (%)</b>
Gas Turbine, Combined Cycle Combustion Turbine	35	7.10
Hydraulic	60	6.42
Wind, Battery	20	8.90

<sup>1</sup> Filed with the Board of Commissioners of Public Utilities on November 16, 2018.