

1 **Undertaking Request (U-97)**

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3 **Transcript Reference: August 6, 2018, Pg. 165, line 14 to Pg. 166, line 2**

4 **Re: LIL and LTA O&M costs**

5 Undertake to provide math (calculation), if LIL and LTA O&M costs were disallowed, what  
 6 would the 12.4 look like.

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9 **Undertaking Response**

10 Please refer to Table 1 for a comparison of current and projected average unit costs for  
 11 residential customers reflecting Hydro’s 2018 Cost Deferral and Interim Rates Application  
 12 filed on October 26, 2018. Hydro’s current and projected average unit costs for residential  
 13 customers excludes Labrador Island Link (LIL) and Labrador Transmission Assets (LTA)  
 14 O&M costs in 2019.

**Table 1: Average Residential Customer Unit Cost**

| 2019 Test Year                                | Projected Increase / Decrease |                   |
|---|-------------------------------|-------------------|
|   | Current                       | 4.0%<br>Projected |
| Average Residential Customer Cost (cents/kWh) | 12.26                         | 12.75             |

15 Hydro does not have a current projection of the projected average residential unit cost if  
 16 the recovery of LIL and LTA O&M costs were included in determining customer rates for  
 17 2019.