

1 Q. **References:** (i) IOC-NLH-028, attachment 1

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3 (A) Please state amount effectively spent up to date and the commissioning or  
4 “in-service” date(s) (prior or estimated) of the following additions to the  
5 rate base?

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In-service year	Asset name	Average NBV	Current spent	In-service date
2017	Upgrade Circuit Breakers - 2017	5,904.3		YYYY-MM-DD
	Upgrade Terminal Station - Wabush	2,546.2		YYYY-MM-DD

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8 (B) Describe the advancement of the “Project Proposal – Interconnect MFA to  
9 HVY” with its major milestones.

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12 A. (A) The current spend, as of October 31, 2017, and the in-service dates (prior or  
13 estimated) of the additions to the rate base associated with the Upgrade Circuit  
14 Breakers and Upgrade Terminal Station - Wabush Projects, are summarized in  
15 Tables 1 and 2 and described in more detail below.

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**Table 1 Summary of In-Service Dates – Upgrade Circuit Breakers  
(\$000)**

<b>Project</b>	<b>Original Planned In-Service Year</b>	<b>Asset Name</b>	<b>Average NBV</b>	<b>Current Spend</b>	<b>In-Service date</b>
Upgrade Circuit Breakers	2017	Churchill Falls Breaker 230-13	1,476.1	458.0	1 Jul 2017
		Churchill Falls Breaker 230-22	1,476.1	400.0	26 Sep 2017
		Churchill Falls Breaker 230-24	1,476.1	398.6	12 Oct 2017
		Churchill Falls Breaker 230-23	1,476.0	352.3	2018
<b>Total</b>			<b>5,904.3</b>	<b>1,608.9</b>	

**Table 2 Summary of In-Service Dates – Upgrade Terminal Station – Wabush  
(\$000)**

<b>Project</b>	<b>Original Planned In-Service Year</b>	<b>Asset Name</b>	<b>Average NBV</b>	<b>Current Spend</b>	<b>In-Service date</b>
Upgrade Terminal Station - Wabush	2017	Synchronous Condenser 1 (SC1)	381.7	390.6	6 Jun 2017
		Synchronous Condenser 2 (SC2)	380.7	225.6	2018
		Circuit breaker and associated breaker and feeder protection	1,783.8	130.5	2018
<b>Total</b>			<b>2,546.2</b>	<b>746.7</b>	

1           The current spend (to end of October) is materially lower compared to the  
2           Average Net Book Value (NBV) for the breaker projects listed above. The  
3           information contained in the average NBV was an estimate prepared earlier in

1           2017, prior to the breakers noted above being completed. Therefore, for the  
2           purposes of the average NBV, the costs for the breakers was estimated and  
3           prorated from the larger 5 year breaker replacement program. These breakers  
4           are part of a larger program to replace a number of breakers across the  
5           province; most of which are on the island portion of the province. The total  
6           program cost was not estimated for each breaker individually, but for expected  
7           unit costs. The average installation cost on the island is much higher than the  
8           actual cost that was incurred at Churchill Falls. Particularly, the installation costs  
9           at Churchill Falls were lower than other breaker installation costs for a number  
10          of factors, including: i) various infrastructure that was already in place  
11          compared to other locations; ii) no significant protection or panel upgrades  
12          were required as is often required at other locations; iii) existing site  
13          management compared to other locations; and iv) lower contractor pricing  
14          compared to other locations.

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16          (B) The Muskrat Falls to Happy Valley Interconnect project proposal was submitted  
17          as part of Hydro's 2018 Capital Budget Application (CBA), which is currently  
18          before the Board.<sup>1</sup> Subject to Board approval, the project will commence in  
19          January 2018.

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21          The project includes: tap TL240 at a location close to the Muskrat Falls 138  
22          kV/25 kV Tap Station; constructing a six kilometer segment of 138 kV  
23          transmission line to the Muskrat Falls 315 kV Terminal Station; and the  
24          associated required terminal station work.

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<sup>1</sup> 2018 Capital Budget Application, Revision 3, Volume 2, Tab 13.

1           The project has two major milestones:

- 2                   1. The new transmission and terminal station assets in service in 2018; and
- 3                   2. The commissioning of the new 50 MVA transformer in Happy Valley
- 4                   Terminal Station in 2019.

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6           Due to the materiality of the reduction in the capital expenditure requirements on

7           the Labrador Interconnected System (LIS) as a result of the reduced expenditures in

8           2017 on the circuit breakers provided in response to a) and the filing of the revised

9           Muskrat Falls to Happy Valley project in the 2018 CBA noted in part b), Hydro will

10          revise its 2018 and 2019 revenue requirements for the LIS in its compliance filing to

11          reflect the reduced capital expenditure adjustments.