

1 Q. **Reference page 5, Table 1, Labrador Interconnected System Network Additions Policy –**
2 **Summary Report.**

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4 The Expansion Cost per kW is identified as being \$465 and is based on Class 5 estimates for
5 projects arising from the Labrador Interconnected System Transmission Expansion Study.

6 Please advise if the cost estimates will be refined to, at a minimum, Class 3 estimates prior
7 to the implementation of this Expansion Cost charge.

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10 A. Newfoundland and Labrador Hydro does not plan to revise its cost estimates for potential
11 future projects from Class 5 estimates to Class 3 estimates prior to the implementation of
12 the Expansion Cost per kW charge. Class 3 estimates are not developed until a project
13 proposal is being prepared for submission to the Board of Commissioners of Public Utilities.

14 The capital projects used in deriving the Expansion Cost per kW are projects that will be
15 required if load grows beyond the forecast reflected in the “Labrador Interconnected
16 System Transmission Expansion Study.” Therefore, a Class 3 level of accuracy is not
17 available for these potential future projects.

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19 Newfoundland and Labrador Hydro does plan to review and update, if required, the
20 Expansion Cost per kW each time the “Labrador Interconnected System Transmission
21 Expansion Study” is updated.