Q. **Reference page 6, lines 3-6, *Network Additions Policy Review***

a. Provide any analysis supporting the statement "potential for material customer rate impacts…"

b. Provide estimates of the amount and cost of transmission network additions on the Labrador Interconnected system in the near future.

A. A. **a.** As described in section 9 of the "Labrador Interconnected System Transmission Expansion Study"[1] ("Study"), there is significant uncertainty with respect to specific customer rate impacts associated with the expansion of the transmission system in Labrador. Figure 6 from the Study, reproduced below, illustrates the generic calculation of forecast rate impacts for rural and industrial customers in Labrador as a function of the capital costs of a transmission system expansion. Please refer to Newfoundland and Labrador Hydro's response to LAB-NLH-083 of this proceeding for further information.

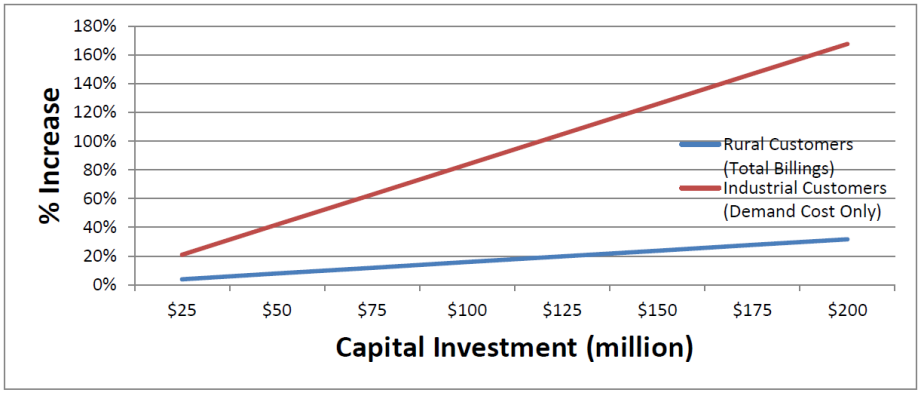

Figure 6: Projected Rate Increase vs. Capital Investment

b. Estimates of the amount and cost of transmission network additions on the Labrador Interconnected System in the near future are provided in the Study.

For Labrador East, transmission system additions are described in section 5.1.2 of the Study. The Muskrat Falls to Happy Valley Interconnection is currently being implemented to meet the

[1] "Labrador Interconnected System Transmission Expansion Study," April 3, 2019 (rev. 2), originally filed October 31, 2018.

baseline load forecast. The project cost was estimated to be $20 million. The other additions provided in Table 10 (page 30) of the Study may be implemented if incremental load above the baseline forecast were to materialize.

For Labrador West, transmission system additions to meet the baseline load forecast are described in section 5.3.2 and Appendix B of the Study. These consist of upgrades at Wabush Substation, upgrades at Wabush Terminal Station, and 46 kV line upgrades. The cost estimates for these projects are $8.4 million, $12.6 million, and $1.4 million, respectively. The other additions provided in Table 11 (page 31) of the Study may be implemented if incremental load above the baseline forecast were to materialize.