

1 **Q. References: CBA, v. 1, page A9**

2 a) Please explain why the 2019 CBA indicates that, for the Muskrat Falls Happy
3 Valley Interconnection, \$17,732,000 was expended to 2018, and \$2,247,000 will
4 be expended in 2019.

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6 b) Of the amounts specified for the Wood Pole Line Management Program –
7 Various, please provide details as to the amounts applicable to the Labrador
8 East and Labrador West systems for each year from 2019 through 2023, and
9 explain why these costs are necessary.

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11 c) More generally, please provide a list of all Transmission System works planned
12 for the Labrador Interconnected System for the years 2019 through 2023,
13 inclusive, and for each one, indicate the cost and the reason the works are
14 needed.

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17 A. a) The “Muskrat Falls and Happy Valley Interconnection Project (2018-2019)” was
18 proposed in the *2018 Capital Budget Application* and is currently before the Board.
19 Given that the Board has not yet approved or denied this project, it remains in the
20 “2019-2023 Capital Plan”, as proposed. As per Hydro’s response to IOC-NLH-001,
21 the \$17,732,000 has not been expended. It should be noted that the \$2,247,000
22 included in the plan has not been included in the Application amount for the *2019*
23 *Capital Budget Application*. The *2019 Capital Budget Application* financial schedules
24 include a planned total value of \$118,168,800; however, the Application seeks
25 approval of \$115,921,800, and excludes the 2019 portion of the “Muskrat Falls to

1 Happy Valley Interconnection” project.¹ Although this project remains before the
2 Board, Hydro has not proceeded with the project and is not seeking approval for
3 capital expenditure for this project in its proposed *2019 Capital Budget Application*.

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5 b) Under the “Wood Pole Line Management Program – Various”, the amounts
6 applicable to the Labrador East and Labrador West systems are \$220,000 for L1301
7 in 2019.²

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9 c) There is no additional work on the Transmission System planned for the Labrador
10 Interconnected System in the *2019 Capital Budget Application*. Please refer to
11 Hydro’s response to LAB-NLH-001 regarding the availability of justification and
12 finalized project estimates for projects in the “2019-2023 Capital Plan” that are not
13 yet before the Board.

¹ *2019 Capital Budget Application*, Volume I, “2019 Capital Projects Overview”, page 12, lines 14 to 20.

² Please refer to the *2019 Capital Budget Application*, Volume II, Tab 10: “Wood Pole Line Management Program” for project description, justification, and overall project estimate.