

1 Q. **Reference: Application, Page 9, Table 1**

2 What is the increase in revenue requirement in actual dollar amounts to be recovered from
3 Newfoundland Power and Labrador Interconnected customers over the 50-year anticipated life
4 of the southern Labrador Interconnection supplied by a regional diesel generating station?

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7 A. As explained in Newfoundland and Labrador Hydro's ("Hydro") response to NP-NLH-010, Hydro
8 does not have a separate cost of service study completed for the communities included in the
9 Labrador south interconnection project, therefore, Hydro cannot determine the change in
10 revenue requirement relative to the approved 2019 Test Year Cost of Service Study. To respond
11 to the question, Hydro evaluated the increase in annual revenue requirement of the alternatives
12 relative to the estimated revenue requirement of continuing to use mobile generation as
13 provided for in Alternative 1.

14 The forecast revenue requirement for Alternative 3A and Alternative 1 is provided in PUB-NLH-
15 002, Attachment 1 for the study period. The net impact of the selected alternative in
16 comparison to Alternative 1 is allocated between Newfoundland Power Inc. and Labrador
17 Interconnected customers in the same proportion which the rural deficit was allocated in the
18 2019 Test Year Cost of Service Study, which is 96.1% and 3.9%, respectively.

19 The forecast reflects a benefit to Newfoundland Power of \$146.7 million and Labrador
20 Interconnected of \$6.0 million over the study period.