

1 Q. **Reference: Application, Attachment 1, Page 31, Lines 23 – 25**

2 On Page 31 at Lines 23 - 25, Hydro states:

3 The total capital cost associated with two hydro developments and a 25 kV
4 interconnection, including environmental mitigation considerations (sic), was
5 determined to be in the range of \$160 million to \$210 million.

6 Please provide the estimate of total capital cost broken down by asset class associated with two
7 hydro developments and a 25 kV interconnection, including environmental mitigation
8 considerations.

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11 A. The total capital cost associated with the two hydro developments is based on the report
12 *Hydraulic Potential of Coastal Labrador- Phase 2*, which is included in Newfoundland and
13 Labrador Hydro's response to PUB-NLH-021. Specifically, the breakdown can be found in Annex -
14 Potential Storage, Appendix 3 - Cost Estimates and Project Schedule. This lists a project cost
15 (without contingency) for Site 5B of approximately \$37.5 million (Figure 6-3) and a project cost
16 for Site 8C-2 of \$35.8 million (Figure 6-4), totaling approximately \$73.3 million. An additional
17 Environmental, Engineering, Admin, and Site Inspection of approximately \$5.5 million was
18 added, along with \$17.0 million in environmental cost and an owners cost of \$6.4 million were
19 added resulting in a total 2013 cost of approximately \$102.2 million. These estimates were
20 escalated from 2013 costs to 2021. The interest during construction and contingency were
21 added for a total of approximately \$190.2 million. A breakout is included in Table 1 below.

22 In addition to the \$190.2 million costs associated with the two hydro developments, an
23 additional \$19.0 million would be required for the distribution interconnection.

Table 1: Site 8C-2 and 5B-2 Cost Estimates^{1,2}

Line Item	Cost (\$ million)
Site 5B – Subtotal Without Contingencies	37.5
Site 8C-2 – Subtotal Without Contingencies	35.8
Consultant – Environmental, Engineering, Admin and Site Inspection	5.5
Additional Environmental	17.0
Owners Cost (8.7%)	6.4
Interest and Escalation	65.8
Contingency	22.3
Total (Hydro Plants)	190.2
Total (Distribution Interconnection)	19.0

¹ 2021 dollars.

² Numbers do not add due to rounding.