Q. **Reference: Response to Request for Information LAB-NLH-007, Page 2 of 2, Lines 14 – 15 and NP-NLH-027, Attachment 1**

LAB-NLH-007, Page 2 of 2 at Lines 14 - 15, Hydro states: "The average annual O&M cost over the 50-year study for the status quo option (Alternative 1) was estimated to be $2.15 million per year."

Please reconcile the $2.15 million per year in the reference above with the information provided in NP-NLH-027, Attachment 1.

A. The information provided in Attachment 1 of Newfoundland and Labrador Hydro's response to NP-NLH-027 of this proceeding does not include the costs associated with genset overhauls. The "Total" column in NP-NLH-027, Attachment 1 is a sum of the operations and maintenance ("O&M") costs for all diesel generating stations without genset overhauls considered. Table 1 provides a breakdown of the aggregated overhaul and O&M costs for all diesel generating stations included in Alternative 1. The average of the "Total Costs" column is equal to approximately $2.15 million, which would be the average annual O&M cost (including overhauls) for Alternative 1 over the 50-year study.

As per Section 6.2 in the "Long-Term Supply Study for Southern Labrador: Economic and Technical Assessment,"[1] the outcome of the cost-benefit analysis is insensitive to changes in operating costs with respect to Alternative 1.

[1] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021, sch. 1, att. 1, sec. 6.2.

Table 1: Breakdown of Operating Costs for Alternative 1 (Excluding Fuel Costs)

Year	Overhaul Costs	O&M Costs	Total Costs
2023	400,000[2]	-[3]	400,000
2024	380,000[4]	-[5]	380,000
2025	460,000	1,525,183	1,985,183
2026	850,000	1,525,639	2,375,639
2027	0	1,526,096	1,526,096
2028	760,000	1,526,554	2,286,554
2029	300,000	1,527,012	1,827,012
2030	400,000	1,527,472	1,927,472
2031	380,000	1,597,165	1,977,165
2032	230,000	1,597,955	1,827,955
2033	630,000	1,598,745	2,228,745
2034	300,000	1,599,538	1,899,538
2035	0	1,600,023	1,600,023
2036	380,000	1,743,433	2,123,433
2037	230,000	1,744,039	1,974,039
2038	750,000	1,744,647	2,494,647
2039	990,000	1,745,256	2,735,256
2040	250,000	1,715,649	1,965,649
2041	750,000	1,715,838	2,465,838
2042	230,000	1,715,879	1,945,879
2043	860,000	1,715,921	2,575,921
2044	0	1,715,962	1,715,962
2045	0	1,716,004	1,716,004
2046	1,150,000	1,893,686	3,043,686
2047	460,000	1,893,728	2,353,728
2048	230,000	1,893,770	2,123,770
2049	450,000	1,893,811	2,343,811
2050	250,000	1,893,853	2,143,853
2051	760,000	1,893,853	2,653,853
2052	150,000	1,893,853	2,043,853
2053	400,000	1,893,853	2,293,853
2054	1,130,000	1,893,853	3,023,853
2055	230,000	1,893,853	2,123,853

[2] These costs would be avoided if an interconnection option is selected, since the units to be overhauled would be decommissioned.
[3] No costs applied in the economic analysis, given they would be common for all alternatives since all existing diesel generating stations would be in service until 2024–2025, regardless of alternative selected.
[4] These costs would be avoided if an interconnection option is selected, since the units to be overhauled would be decommissioned.
[5] No costs applied in the economic analysis, given they would be common for all alternatives since all existing diesel generating stations would be in service until 2024–2025, regardless of alternative selected.

Year	Overhaul Costs	O&M Costs	Total Costs
2056	930,000	1,893,853	2,823,853
2057	0	1,893,853	1,893,853
2058	230,000	1,893,853	2,123,853
2059	450,000	1,893,853	2,343,853
2060	380,000	1,893,853	2,273,853
2061	600,000	1,893,853	2,493,853
2062	760,000	1,893,853	2,653,853
2063	250,000	1,893,853	2,143,853
2064	230,000	1,893,853	2,123,853
2065	230,000	1,893,853	2,123,853
2066	630,000	1,893,853	2,523,853
2067	450,000	1,893,853	2,343,853
2068	760,000	1,893,853	2,653,853
2069	0	1,893,853	1,893,853
2070	630,000	1,893,853	2,523,853
	Average Cost Per Year		**2,146,665**