

1 Q. Reference: Hydro’s Revised Application for Approval of Construction of Hydro’s long-term  
2 supply plan for southern Labrador, *Schedule 2 – Long-Term Supply for Southern Labrador –*  
3 *Evidence Supporting the Revised Application, May 31, 2023, Page 14, Lines 2-8.*

4 *“Hydro has forecasted the net impact of the selected alternative to its revenue*  
5 *requirement in comparison to the reconstruction of the Charlottetown Diesel*  
6 *Generating Station with continued operation as isolated systems. Compared to*  
7 *the isolated systems option, the interconnection of the Southern Labrador*  
8 *Communities is expected to generate an incremental revenue requirement*  
9 *increase of \$2.3 million by 2030, due to higher upfront capital costs. Hydro*  
10 *forecasts a reduction in net incremental revenue requirements of \$1.1 million in*  
11 *2035 and \$6.2 million by 2050.”*

12 Please update the information referenced above based on: (i) a 25% increase in capital costs  
13 associated with the chosen alternative; and (ii) a 50% increase in capital costs associated with  
14 the chosen alternative.

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17 A. The updated information based on a 25% and a 50% increase in capital costs associated with the  
18 chosen alternative is provided in Table 1. The results of this comparison assumes the cost  
19 associated with the continued operation of the isolated systems remains unchanged.

**Table 1: Incremental Revenue Requirement  
Based on Capital Cost Increase Scenarios**

Part	Capital Cost Increase (%)	Incremental Revenue Requirement (\$ Millions)		
		2030	2035	2050
(i)	25	4.4	0.8	(4.8)
(ii)	50	6.3	2.6	(3.5)