

1 Q. **Reference: Long-Term Supply for Southern Labrador – Revision 1 - Schedule 2 - Long-Term**
2 **Supply for Southern Labrador - Evidence Supporting the Revised Application**

3 Chart 1 on page 13 outlines the cost changes from the original July 2021 application when
4 compared to the current application.

5 a) Please provide a breakdown of the \$14.1 million escalation costs.

6 b) Please provide a breakdown of the \$22.4 million additional distribution costs noting any
7 increases from the costs identified in the original July 2021 application.

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10 A. a) The main drivers of the price increase as identified include an increase in genset, switchgear,
11 transformers and steel pricing (approximately \$10 million) along with increased industry labour
12 rates of approximately 12%. Other increases include Newfoundland and Labrador Hydro
13 (“Hydro”) and consultant costs that are attributed to the project duration increasing from three
14 years to four years.

15 b) The \$22.4 million additional distribution costs are those associated with interconnection of
16 Mary’s Harbour, Lodge Bay and St. Lewis, previously included in Phase 2 and 3 of Hydro’s
17 original application. A breakdown of distribution costs is provided in Hydro’s response to
18 PUB-NLH-055 of this proceeding.