

1 Q. **Reference: Schedule 1 - 2023 Capital Budget Overview**

2 In Hydro’s presentation of the 2023 Capital Budget on August 10, 2022, it was confirmed that
3 the rate impacts shown in Table 7, page 32, include only the impact relating to the approval of
4 \$90.8 million requested in this Application.

5 a) Please provide a similar table that shows the rate impacts including the \$90.8 million and
6 the supplementary applications that have been approved to date by the Board in 2022.

7 b) Please provide a similar table that shows the rate impacts including the information in (a)
8 and also the supplementary applications that Hydro anticipates it will be filing in 2022 and
9 2023.

10

11

12 A. a) The projected wholesale rate impacts including the 2023 Capital Budget Application and the
13 supplementary applications approved by the Board of Commissioners of Public Utilities
14 (“Board”) is presented in Table 1. The supplementary applications reflected in the rate
15 impacts are listed in Table 2.¹

Table 1: Projected Wholesale Rate Impact by System

System	2023	2024
Island Interconnected System	0.5%	1.2%
Labrador Interconnected – Rural	0.2%	0.6%
Labrador Industrial – Regulated	1.3%	3.4%
Labrador Industrial – Total Billings	0.1%	0.3%

¹ The supplementary application for the roof replacement of the Makkovik Generating Station is not included in the rate impacts. The capital expenditure in the amount of \$634,000 was approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 12(2022), Board of Commissioners of Public Utilities, April 22, 2022 with recovery to be addressed in a subsequent Order of the Board following a further application by Newfoundland and Labrador Hydro (“Hydro”).

Table 2: Supplemental Projects Reflected in Rate Impacts²

Project ³	Approved (\$ Millions)	Board Order No.
Holyrood – Unit 1 & 2 Turbine Last Stage Blades	1.6	P.U. 17(2022)
Holyrood – Refurbish Day Tank	0.8	P.U. 24(2022)
Holyrood – Refurbish Day Tank 2	4.7	P.U. 24(2022)
Holyrood – Replace Tank Farm Firewater Distribution System	1.4	P.U. 24(2022)
Holyrood – Upgrade Unit 2 Turbine Control System	0.7	P.U. 24(2022)
Upper Salmon Rotor Rim Shrink and Stator Recent	4.0	P.U. 18(2022)
Mary’s Harbour Diesel Engine Replacement	0.1	P.U. 14(2022)
	13.4	

1 **b)** Table 3 includes the information reflected in part a) and \$52.8 million for a Penstock Life
2 Extension – Phase 1 project to be filed later this year. The construction period for this
3 project is from 2023–2025 with the full rate impact shown in 2024 below to reflect the
4 estimated rate increase upon completion.

5 The Long-Term Supply for Southern Labrador capital project is currently under review and
6 rate impact is not included. Hydro is also completing an update to its Reliability and
7 Resource Adequacy Study that will inform the future requirements for the Holyrood TGS
8 beyond March 2024, including associated capital investment. This filing will be submitted to
9 the Board in September 2022.

Table 3: Projected Wholesale Rate Impact by System

System	2023	2024
Island Interconnected System	0.7%	1.8%
Labrador Interconnected – Rural	0.2%	0.6%
Labrador Industrial – Regulated	1.3%	3.4%
Labrador Industrial – Total Billings	0.1%	0.3%

² Numbers may not add due to rounding.

³ Depreciation on the Holyrood Projects is assumed to be deferred in the Holyrood Thermal Generating Station (“Holyrood TGS”) Accelerated Depreciation Deferral Account and is not reflected in the rate impacts.