Q. **Reference: Volume 1, table 5-7, page 5.11 and table 5-8, page 5.12**

Hydro provides (table 5-7) a table which compares components of total rate base for the 2019 Test Year and 2027 Test Year, which indicates that total average capital assets in rate based increased $335.2 million and that the Muskrat Falls related working capital allowance is $115.1 million for the 2027 Test Year. Hydro provides (table 5-8) a table which indicates that the Muskrat Falls related working capital has been calculated assuming revenue lag days of 44.5, expense lead days of 7.8 and cash operating expenses of $806.0 million.

a) Provide a schedule of capital project additions to rate base from the 2019 Test Year to the 2027 Test Year.

b) Provide the calculations to derive the Muskrat Falls revenue lag of 44.5 days and expense lead of 7.8 days.

c) Reconcile the $806.0 million of Muskrat Falls cash operating expenses in the working capital calculation to the $780.0 million of Muskrat Fall Supply Costs included in revenue requirement for the 2027 Test Year.

d) Extend table 5-7 to include 2028 Forecast to 2030 Forecast of average rate base and comment on the reasons for changes in projected components of average rate base.

A. **a)** Please refer to Table 1 for the requested information.

Table 1: Capital Additions to Rate Base by Year ($000)

Year	Capital Additions
2019	125,657
2020	107,547
2021	122,160
2022	85,575
2023	118,722
2024	172,007
2025F	206,017
2026F	166,169
2027TY	185,630

b) Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to PUB-NLH-098 of this proceeding.

c) Please refer to Table 2 for the requested information.

Table 2: Reconciliation of Working Capital Calculation to Muskrat Falls Supply Costs ($ Millions)

Muskrat Falls Supply Costs	780[1]
Muskrat Falls Export Costs	25[2]
Churchill Falls Power Purchases	1[3]
	806

d) Please refer to Hydro's response to PUB-NLH-008 of this proceeding for the 2028–2030 average rate base. Average rate base increases during the period as a result of additions to capital assets in service.

[1] As per Schedule D-I, page 1 of 1 of Hydro's 2026 General Rate Application ("GRA").
[2] As per Schedule D-I, page 1 of 7 of Hydro's 2026 GRA. In Schedule D-I, page 1 of 1, these costs are included in Net Export Revenue.
[3] Power purchases from Churchill Falls are used to service Labrador Interconnected customers. This balance is included in Power Purchases in both Schedule D-I, page 1 of 1, and Schedule D-II, page 1 of 7 of Hydro's 2026 GRA.