

1 **Undertaking Request (U-95)**

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3 **Transcript Reference: August 6, 2018, Pg. 103, line 1 to Pg. 104 line 24**

4 **Re: Supplemental Evidence filed July 20, 2018, Table 2**

5 Undertake to provide document on how LIL and LTA operating costs were calculated.

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7 **Undertaking Response**

8 As per Hydro’s 2018 Cost Deferral and Interim Rates Application filed with the Board on
 9 October 26, 2018, Hydro does not anticipate the Labrador-Island Link (LIL) to be in-service
 10 in 2018. Provided below is the pro-ration applied to determine the figures from the
 11 July 20, 2018 filing, *Supplemental Evidence – Customer Impacts Reflecting 2017 GRA*
 12 *Settlement Agreements*.

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14 The LIL and Labrador Transmission Assets (LTA) operating costs were a pro-ration of the
 15 original forecast costs, and calculated on the following basis:

- 16 • The original forecasted operational dates of January 1, 2018 for the LTA (12 months
 17 in service), and July 1, 2018 for the LIL (six months in service);
- 18 • Removal of costs determined through Hydro/Power Supply internal review;¹ and
- 19 • Application of the remaining monthly operating costs for each asset to the updated
 20 operational in-service period. Table 1 summarizes the change in LIL & LTA operating
 21 costs.

Table 1 – LTA and LIL Pro-rated O&M Costs (\$ millions)

O&M Cost	Budget 2018	Remove NLSO & Wellness Center	Change in Operations Start Date	Revised Forecast
LTA	6.988	(0.276)	(5.034)	1.678
LIL	20.311	(0.251)	(13.373)	6.687
Total	27.299	(0.527)	(18.407)	8.365

¹ Wellness center and the NLSO operators.