

1 Q. **References: Cover Letter, dated July 31, 2018 Application, Overview, page 12 and**
2 **Appendix A, page A-9**

3 *[...] the application [...] excludes the 2019 portion of the 2018-2019*
4 *Muskrat Falls to Happy Valley Interconnection project (\$2.3 million)*
5 *as approval of this project, which was proposed as part of Hydro's*
6 *2018 Capital Budget Application, remains before the Board.*

7
8 (A) Has NLH already made the 2018 expenditure of \$17,731,500? If not this amount,
9 then how much?

10
11 (B) Is NLH accruing AFUDC on this amount? How much has been accrued to date?

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14 A. (A) Please refer to Hydro's response to PUB-NLH-050 – *2018 Capital Budget*
15 *Application – Revised Information pursuant to Order P.U. 43(2017) – Muskrat Falls*
16 *to Happy Valley Interconnection Project*. Hydro has incurred approximately
17 \$307,000 in engineering required to support the issuance of tenders requiring long
18 lead equipment. In the event that this project is not approved, the costs incurred
19 will be written off to Hydro's net income.

20
21 (B) Hydro has not accrued Allowance for Funds Used During Construction ("AFUDC")
22 on this amount.