

1 Q. **Reference: General**

2 Hydro has extended the implementation period for some multi-year projects by one or more
3 years. Has Hydro analysed the impact extending program implementation will have on interest
4 during construction? If yes, please provide the analysis. If not, why not?

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7 A. Newfoundland Labrador Hydro has not completed analysis on the impact extending project or
8 program implementation will have on interest during construction ("IDC"); however, in most
9 cases extending the duration will move construction and procurement costs later into the
10 project. The decision to extend some multi-year projects by one or more years is primarily based
11 on extended equipment lead times and previous experience regarding the execution timeline of
12 these projects, resulting in costs being accrued later in the project schedule. As IDC is not
13 incurred until costs are realized, in those circumstances the impact on IDC would not be
14 significant.