Q. **Reference: Application**

Provide a table with the allocated rate base and revenue requirement by customer class separately for each of the following; i) Muskrat Falls; ii) Labrador-Island Link; and iii) the Maritime Link.

A. Newfoundland and Labrador Hydro ("Hydro") does not have regulated rate base associated with the Muskrat Falls Hydroelectric Generating Facility ("Muskrat Falls Plant"), the Labrador Transmission Assets ("LTA"), the Labrador-Island Link ("LIL"), or the Maritime Link. The Muskrat Falls Plant, the LTA, and the LIL are owned by non-regulated entities, and the Maritime Link is owned by Emera Inc. Therefore, the customer-class allocated rate base for the requested assets is nil.

The 2027 Test Year Cost of Service Study does; however, allocate the related revenue requirement components to Island Interconnected System customer classes. Muskrat Falls generation costs, LTA costs, and LIL costs are reflected as power purchase or supply costs and are functionalized as generation. These costs are classified between demand and energy using the system load factor, consistent with the approved cost of service treatment. There are no costs for the Maritime Link reflected in the 2027 Cost of Service Study. The resulting allocation by customer class for the power purchase related costs is provided in Table 1.

Amounts shown are before rate mitigation and rural deficit effects. The Cost of Service model separately identifies the Muskrat Falls generation cost, LTA costs, and LIL costs (Schedule F 4.4).

Table 1: Allocated 2027 Test Year Revenue Requirement by Customer Class (Muskrat Falls) ($Millions)[1]

Component	Newfoundland Power Inc.	Island Industrial	Hydro Rural Interconnected	Total
Muskrat Falls	233.55	18.37	17.21	**269.13**
LTA	40.04	3.15	2.95	**46.14**
Subtotal: Muskrat Falls PPA	**273.59**	**21.52**	**20.16**	**315.28**
LIL (Transmission Funding Agreement)	403.58	31.75	29.75	**465.08**

[1] Numbers may not add due to rounding.