

1 Q. **Reference: Volume 1, pages 5.19 to 5.20**

2 Hydro provides (pages 5.19 to 5.20) a description of its proposals with respect to the Muskrat
3 Falls PPA Sustaining Capital Deferral Account, with a balance of \$43.6 million on January 1, 2027,
4 a proposed amortization period based on the composite depreciation rate (Muskrat Falls
5 Generating Facility of 1.42% and Labrador Transmission Assets of 1.71%, respectively) with \$0.7
6 million of amortization proposed for the 2027 Test Year.

7 a) Provide a breakdown of the January 1, 2027 balance of \$43.6 million in the Muskrat Falls
8 PPA Sustaining Capital Deferral Account by year and type of sustaining capital
9 expenditure.

10 b) Provide a breakdown of the \$9.030 million of proposed additions to the Muskrat Falls
11 PPA Sustaining Capital Deferral Account for the 2027 Test Year.

12 c) Provide a calculation of the weighted average composite depreciation rate for the
13 Muskrat Falls Sustaining Capital Deferral Account that Hydro is proposing for the 2027
14 Test Year.

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17 A. a) Please refer to CA-NLH-200, Attachment 1 for a detailed breakdown of the Muskrat Falls
18 Power Purchase Agreement ("PPA") Sustaining Capital Deferral Account as of
19 January 1, 2027.

20 b) Please refer to CA-NLH-200, Attachment 2 for a detailed breakdown of the Muskrat Falls
21 PPA Sustaining Capital Deferral Account additions for 2027 Test Year.

22 c) Please refer to CA-NLH-199 of this proceeding for the calculation of the weighted average
23 composite depreciation rate for the Muskrat Falls PPA Sustaining Capital Deferral Account.

Breakdown of Muskrat Falls PPA Sustaining Capital Deferral Account as of January 1, 2027 (\$ Millions) ¹

	Actual 2022	Actual 2023	Actual 2024	Forecast 2025	Forecast 2026	Total
<u>Muskrat Falls Additions</u>						
Upgrade OT Cyber Security		0.2	(0.1)			0.1
V-Notch Weir Monitor		0.1	0.1			0.2
Rotor Jacking Cart Assembly		0.1				0.1
Replace Light Vehicles			0.1	1.0	0.3	1.4
Purchase Office Furniture				0.1	0.1	0.2
Purchase Hi-Ranger TL80 Boom Truck				0.6		0.6
Purchase and Install System 1 Vibration Analysis Equipment				0.4		0.4
Data Historian				0.1		0.1
Replace Wireless Access Points				0.1		0.1
Purchase One Aerial Work Platform, MFC				0.2		0.2
Install BMS Controllers				0.2		0.2
Replace LCP PBX				0.1	0.1	0.2
Muskrat Falls Lintel Beam Repairs				0.9		0.9
Purchase Tools and Equipment					0.1	0.1
Install Downstream Public Safety Boom, MF					0.3	0.3
Refurbish and Store Bulkheads, MF					1.9	1.9
Replace BAS Servers and UPS					0.1	0.1
Core OT Infrastructure					0.1	0.1
Replace SCADA Network					0.1	0.1
In-Service Failures			0.2	0.4	0.6	1.2
Total Muskrat Falls Additions	0.0	0.4	0.3	4.1	3.7	8.5
Interest during construction	0.0	0.0	0.0	0.1	0.1	0.2
Total Muskrat Falls Sustaining Capital Additions	0.0	0.4	0.3	4.2	3.8	8.7
<u>Labrador Transmission Asset (LTA) Additions</u>						
315 kV Trail improvements	0.5	0.7	0.8	1.2	1.9	5.1
Install Shunt Reactors L3101, L3102		1.7	9.0	2.1	12.4	25.2
Teleprotection 6110 Replacement		0.1	0.1			0.2
SMCS Upgrade: MFATS2, CHFS2, CHFTS		1.2	0.1			1.3
Upgrade OT Cyber Security		0.2				0.2
CHFTS2 Component Replacement				0.1		0.1
CHFTS2 Transformer Access Platforms			0.3	(0.1)		0.2
Replace BAS Servers and UPS					0.2	0.2
CHFTS2 Chlorination System					0.1	0.1
Replace Wooden Steps - MFATS2					0.1	0.1
In-Service Failures			0.1	0.4	0.6	1.1
Front End Engineering and Design (FEED)			0.1	(0.1)		0.0
Total LTA Additions	0.5	3.9	10.5	3.6	15.3	33.8
Interest during construction	0.0	0.1	0.1	0.1	0.8	1.1
Total LTA Sustaining Capital Additions	0.5	4.0	10.6	3.7	16.1	34.9
Total Additions	0.5	4.3	10.8	7.7	19.0	42.3
Total Interest during construction	0.0	0.1	0.1	0.2	0.9	1.3
Total Muskrat Falls PPA Sustaining Capital Deferral Account	0.5	4.4	10.9	7.9	19.9	43.6

¹ Numbers may not add due to rounding.

**Breakdown of Muskrat Falls PPA Sustaining Capital Deferral Account 2027 Proposed
Additions (\$ Millions)¹**

<u>Muskrat Falls Additions</u>	<u>2027</u>
Purchase Office Furniture	0.06
Purchase Tools and Equipment	0.09
Replace Light Vehicles	0.13
Install Downstream Public Safety Boom, MF	4.37
Core OT Infrastructure	0.08
Replace M&M Network Equipment at End of Life	0.01
Replace Muskrat Falls Powerhouse - Network Systems	0.02
In-service failures	0.63
Total Muskrat Falls Additions	<u>5.40</u>
Interest during construction	0.33
Total Muskrat Falls Sustaining Capital Additions	<u>5.72</u>
 <u>Labrador Transmission Asset (LTA) Additions</u>	
Replace M&M Network Equipment at End of Life	0.03
315 kV Right-of-Way Vegetation Clearing and Access Trail Improvements	2.20
Replace Muskrat Falls Switchyard - Network Systems	0.02
Replace SCADA RTU	0.27
Replace Churchill Falls Switchyard - Network Systems	0.02
Replace Churchill Falls Extension - Network Systems	0.02
Core OT Infrastructure	0.02
In-service failures	0.63
Total LTA Additions	<u>3.22</u>
Interest during construction	0.08
Total LTA Sustaining Capital Additions	<u>3.31</u>
 Total Additions	8.62
Total Interest during construction	0.41
Total Muskrat Falls PPA Sustaining Capital Deferral Account	<u>9.03</u>

¹ Numbers may not add due to rounding.