

1 Q. a) What is the total projected Capital Budget for 2022 including supplemental capital budget
2 applications already filed for approval of the Board and supplemental capital budget
3 applications that Hydro expects to file for 2022 (e.g., southern Labrador, electrification, Bay
4 D’Espeir penstocks, etc.)?

5 b) Please provide details on the supplemental capital budget applications Hydro expects to file
6 for 2022.

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9 A. a) The total 2022 projected capital expenditures for 2022, including supplemental capital
10 budget applications (“CBA”) either previously filed or anticipated to be filed for approval of
11 the Board of Commissioners of Public Utilities (“Board”), are summarized in Table 1. This
12 information is also reflected in the Five-Year Capital Plan (2022–2026) included in
13 Newfoundland and Labrador Hydro’s (“Hydro”) 2022 CBA.¹

Table 1: Total 2022 Projected Capital Expenditures (\$ millions)

Item	2022 Cost Estimate
2022 Capital Budget Application	84.7
Valentine Gold Interconnection	12.3 ²
Replace Unit 2047 – Ramea	2.0 ³
Long-Term Supply for Southern Labrador – Phase 1	15.8 ⁴
Penstock Life Extension – Phase 1	1.9 ⁵
Total	116.7

14 As noted in Hydro’s 2022 CBA and response to PUB-NLH-005 of this proceeding, the total
15 planned 2022 capital spend to be recovered through customer rates is \$102.9 million.

¹ “2022 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 2.

² Fully contributed, specifically-assigned investment. Approved as per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 27(2021), Board of Commissioners of Public Utilities, August 18, 2021.

³ Approved as per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 28(2021), Board of Commissioners of Public Utilities, August 20, 2021.

⁴ “Long-Term Supply for Southern Labrador – Phase 1,” Newfoundland and Labrador Hydro, July 16, 2021.

⁵ Anticipated filing in 2022.

1 b) Hydro’s planned and anticipated supplemental applications with expenditures in 2022 are
2 included in the Five-Year Capital Plan (2022–2026) submitted as part of Hydro’s 2022 CBA,⁶
3 and are summarized for ease of reference in Table 2. While Table 2 includes all known
4 supplemental applications at this time, other additional supplemental applications may arise
5 through to the end of 2022.

Table 2: Planned and Anticipated Supplemental Applications with 2022 Expenditures (\$ millions)

Project	Total Cost Estimate	2022 Cost Estimate	Status
Valentine Gold Interconnection (Fully Contributed)	15.8	12.3	Approved ⁷
Replace Unit 2047 – Ramea	2.4	2.0	Approved ⁸
Long-Term Supply for Southern Labrador – Phase 1	49.9	15.8	Application filed July 16, 2021
Penstock Life Extension – Phase 1	52.8 ⁹	1.9	Anticipated filing 2022

6 As noted in its 2022 Capital Budget Overview,¹⁰ Hydro is currently assessing the life extension
7 requirements of the Bay d’Espoir penstocks. Following completion of front-end engineering
8 design work, Hydro will confirm the timing and magnitude of work required and present an
9 application outlining the proposed project strategy and cost to the Board for review and
10 approval.

11 Additionally, as noted in Hydro’s recent Supply Cost Accounting Application, Hydro anticipates
12 filing an application in the near-term to approve the purchase of the Exploits assets from the
13 Government of Newfoundland and Labrador.¹¹ However, as the timing and details for such an
14 application have not yet been confirmed, this item is not included in Table 2 or in Hydro’s Five-
15 Year Capital Plan (2022–2026).

⁶ “2022 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 2.

⁷ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 27(2021), Board of Commissioners of Public Utilities, August 18, 2021.

⁸ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 28(2021), Board of Commissioners of Public Utilities, August 20, 2021.

⁹ The Five-Year Capital Plan (2022–2026) includes expenditures for both Phase 1 and Phase 2 of the Bay d’Espoir Penstock Life Extension work, which totals \$63 million. Table 1 lists only the Phase 1 expenditures (\$52.8 million) as it is anticipated that Phase 1 will be submitted as a 2022 supplemental capital application. Phase 2 is expected to be submitted separately as part of a future CBA.

¹⁰ “2022 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 1.

¹¹ “Supply Cost Accounting Application,” Newfoundland and Labrador Hydro, July 29, 2021, sch. 1, at p. 20/6–7.