

1 **Undertaking Request (U-75)**

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3 ***Transcript Reference: July 25, 2018, Pg. 93, line 11 to Pg. 97, line 9***

4 ***Re: NLH Additional Cost of Service Information, Appendix F***

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6 Undertake to confirm and reconcile the average rate base figures for the 2018 test year.

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9 **Undertaking Response**

10 In the GRA and NLH Additional Cost of Service Information filings Hydro provided both the

11 Test Year rate base forecast along with the forecast under existing rates. Please refer to

12 Table 1 which details the rate base forecasts filed for 2018.

Table 1: 2018 Average Rate Base (\$000s)

Reference	Description	Average Rate Base
2017 GRA Volume I, Schedule 4-II, Page 5	Test Year	2,263,109
2017 GRA Volume I, Schedule 4-III, Page 1	Existing Rates	2,259,681
2017 GRA Additional COS Information, Appendix G, filed March 22, 2018	Test Year	2,251,655
2017 GRA Additional COS Information, Appendix F, filed March 22, 2018	Existing Rates	2,243,678

13 The variance of approximately \$19.4 million referenced in the transcript results when
 14 comparing the 2018 Test Year rate base in the GRA filing to the 2018 Existing Rates filed in
 15 Appendix F of the Additional Cost of Service Information, March 22, 2018. This difference is
 16 primarily due to differences in 1) deferred charges related to the GRA filing assuming test
 17 year rates while Appendix F assumed existing rates and 2) changes in the Fuel Inventory
 18 relating to Bunker C cost assumptions from \$86.41/bbl in the GRA filing vs. \$68.93/bbl¹ in
 19 Appendix F.

¹ P.U.2(2018) ordered the fuel forecast to be updated based on the fall 2017 update.

- 1 A comparison of the test years filed in the GRA and Appendix G of the March 22, 2018 filing
- 2 results in a decrease of \$11.5 million, which is primarily due to the change in cost
- 3 assumptions for fuel.