

1 **Undertaking Request (U-80)**

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3 **Transcript Reference: July 26, 2018, Pg. 81, line 23 to Pg. 83, line 17**

4 **Re: Undertaking #11, Table 1**

5 Undertake to provide a further breakdown of the figures with reference to the bulleted
 6 information and whether such a breakdown was provided to Nalcor/Hydro and if a more
 7 recent update of that information exists.

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10 **Undertaking Response**

11 Table 1 provides a further breakdown of the revenue requirement for the Island
 12 Interconnected System provided in U-11.

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14 There have been no material differences in Hydro's forecast costs for purposes of
 15 calculating forecast residential rates.

Table 1: Revenue Requirement Island Interconnected

	2021	2022	2023	2024	2025	2030	2035	2040
Revenue Requirement (\$000s)								
Operating expenses	101,293	89,957	92,248	95,382	97,809	109,407	127,116	148,770
Fuels	35,400	12,082	11,963	11,785	11,845	7,840	8,639	9,360
Power purchases (excl. Muskrat Falls)	59,060	58,156	58,219	57,747	57,844	42,814	42,814	42,814
Depreciation	88,863	91,794	95,208	97,314	99,366	109,702	133,465	163,919
Accretion of ARO	336	196	143	188	2	-	-	-
Return on Debt	83,452	81,932	79,331	76,323	74,579	66,737	79,112	110,890
Return on Equity ¹	40,794	44,893	48,805	52,226	53,419	53,144	57,474	76,753
Other Revenue/Expense	(2,898)	(2,956)	(3,009)	(3,070)	(3,126)	(3,483)	(3,827)	(4,195)
Revenue Requirement Island Interconnected	406,299	376,055	382,909	387,895	391,738	386,161	444,793	548,311
Energy Sales (GWh)²								
Island	6,874	6,776	6,803	6,842	6,883	7,201	7,370	7,566

¹ Return on Equity assumed to be 8.50% during the forecast period.

² Sales to customers, excludes losses.