

1 Q. **NLH Evidence, Section 4.2, page 4.11**

2 Citation:

3 Hydro is forecast to incur approximately \$1.2 million in 2018 in external regulatory
4 costs with respect to the current Application.

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6 Please:

7 a) Specify what is included in “external regulatory costs”, and break down the
8 amounts, by cost type and proceeding;

9 b) Specify Hydro’s estimate of its internal regulatory costs, and break down the
10 amounts, by cost type and proceeding; and

11 c) Specify the actual internal and external regulatory costs from the previous
12 GRA, and break down the amounts, by cost type and proceeding.

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15 A. Hydro was requested to provide the costs by ‘proceeding.’ As a result, Hydro has
16 interpreted the request to mean a comprehensive summary of all regulatory
17 proceedings rather than the External Hearing Costs proceeding of approximately
18 \$1.2 million that was referenced in the citation.

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20 a) The \$1.2M is comprised of external GRA regulatory costs. The \$1.2M is
21 primarily based upon Newfoundland Power’s GRA external costs of \$1.0M
22 approved by the Board in Order No. P.U. 18(2016) but has been increased by
23 \$0.2 million as Hydro’s General Rate Applications traditionally have more
24 intervenors than Newfoundland Power’s GRA and are generally more
25 complex in nature. Hydro has proposed to amortize the deferral on a
26 straight line basis over three years commencing in 2018.

1 Hydro has included a deferral of \$0.5 million for a Cost of Service Hearing.
2 The estimate was based upon professional judgement considering the
3 anticipated number of intervenors and experts. Hydro has proposed to
4 amortize the deferral on a straight line basis over three years commencing
5 in 2018.

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7 Hydro has deferred \$1.0 million Phase II outage costs in 2017. Due to the
8 ongoing process and uncertainty of the projected final costs, the costs
9 incurred to date of \$0.9 million were used as a baseline in determining the
10 forecast of \$1.0 million, as activity was expected to increase in 2017. There
11 are no proposed Phase II amortization costs included in Hydro's 2018 and
12 2019 revenue requirement as recovery is subject to a future Order by the
13 Board.

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15 b) Please refer to LAB-NLH-013, Attachment 1.

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17 c) Please refer to LAB-NLH-013, Attachment 1.

External Costs

Cost Type	Description	Proceeding	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Test Year	2019 Test Year
PUB Costs	External Hearing	GRA ¹	2,930	3,175	-	-	1,200	-
Consultants	External Hearing	GRA ¹		2,199				
Other Income and Exepnse	GRA Deferrals	GRA ¹	-	(750)	-	-	-	-
PUB Costs	GRA Deferrals	GRA ¹					(1,200)	
PUB Costs	GRA Amortization	GRA ¹	-	-	500	250	400	400
PUB Costs	External Hearing	Cost of Service	-	-	-	-	450	-
PUB Costs	Cost of Service Deferral	Cost of Service	-	-	-	-	(450)	-
PUB Costs	Cost of Service Amortization	Cost of Service	-	-	-	-	150	150
PUB Costs	RSP Refund Deferral	RSP Refund	-	-	20	-	-	-
Cost Recovery	RSP Refund Deferral	RSP Refund	-	-	(20)	-	-	-
PUB Costs	General Legal/Consulting	Phase II			555	1,000		
Cost Recovery	Phase II Deferral	Phase II			(555)	(1,000)		
PUB Costs	PUB Annual Assessment	General	691	760	649	1,000	1,100	1,150
PUB Costs	Capital Budget	General	80	-	80	-	-	-
PUB Costs	Annual Financial Reviews	General	55	-	70	200	200	200
PUB Costs	Compliance Review	General	-	-	239	-	-	-
PUB Costs	Other Applications	General	601	413	259	150	100	100
Total External Costs			4,357	5,797	1,796	1,600	1,950	2,000

Internal Costs

Cost Type	Description	Proceeding	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Test Year	2019 Test Year
PUB Costs	General Legal/Consulting	GRA ¹	734	1,093	-	-	-	-
Consultants	General Legal/Consulting	GRA ¹	1,122	48	607	555	213	213
Legal	General Legal/Consulting	GRA ¹	-	-	-	340	188	200
Consultants	General Legal/Consulting	Cost of Service	-	-	-	-	363	363
Legal	General Legal/Consulting	Cost of Service	-	-	-	-	63	200
Labour	RSP Refund Deferral	RSP Refund	-	-	96	-	-	-
Consultants	RSP Refund Deferral	RSP Refund	-	-	84	-	-	-
Cost Recovery	RSP Refund Deferral	RSP Refund	-	-	(180)	-	-	-
Consultants	General Legal/Consulting	Phase II	126	146	41	-	-	-
Cost Recovery	Phase II Deferral	Phase II	-	-	(313)	-	-	-
Consultants	General Legal/Consulting	General	-	-	67	75	120	120
Total Internal Costs			1,982	1,287	402	970	945	1,095

¹ Includes the Amended 2013 GRA, Outage Phase I, 2017 GRA