

1 Q. **NLH Evidence, Section 5.8.4, page 5.33**

2 Please provide a high-level explanation of the reasons for the proposed interim rate
3 increase of 5.9% (2018) and the additional rate increase of 6.5% (2019) for the
4 Labrador Interconnected System, and explain each of the key drivers.

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7 A. Please refer to the revised figures of 4.4% (2018) and 8.2% (2019) in Section 5.8.4,
8 page 5.33 in Volume I, Chapter 5.

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10 The proposed increases in customer rates are primarily attributable to increases in
11 revenue requirement as a result of increased depreciation and return on rate base
12 relating to the capital investments over the period 2015 to 2019.¹ Please refer to
13 Hydro's response to LAB-NLH-010 for a breakdown of the cost increases. Please
14 also refer to Hydro's response to LAB-NLH-031.

¹ Please refer to Hydro's response to LAB-NLH-033 for a detailed listing of capital investments from 2015 to 2019.