

- 
- 1 Q. Please provide the most recent Churchill Falls forecasted income statements,  
2 balance sheets, cash flow statements, and revenue requirements for 2019 to 2039  
3 and provide sensitivity or scenario analysis on the major components identified,  
4 prepared by the company or consultants.
- 5 a. Energy sales to Hydro Quebec, Newfoundland Hydro, other
  - 6 b. Assumptions on price/MWh on energy sales component
  - 7 c. Capital structure assumptions
  - 8 d. Costs of equity and debt capital
  - 9 e. Operating and maintenance expenses
  - 10 f. Other major expense categories
  - 11 g. Calculations of Churchill Falls returns and dividends
- 12  
13
- 14 A.
- 15 a. Please refer to PUB-Nalcor-144, Attachment 1.
  - 16
  - 17 b. Please refer to PUB-Nalcor-144, Attachment 1.
  - 18
  - 19 c. Churchill Falls capital structure is equity based with no debt or borrowings.
  - 20
  - 21 d. Churchill Falls cost of equity consists of Preferred Dividends that are issued  
22 annually, the calculation is detailed in item g.
  - 23
  - 24 There are no Common Dividends forecasted to be issued. The payment of  
25 common dividends is revisited each quarter in accordance with the  
26 Shareholder's Agreement. The agreement details that CFLCo will declare

1 quarterly dividends in an amount not exceeding "Cash Flow Available to  
2 Shareholders".

3  
4 "Cash Flow Available to Shareholders":

5 Cash and short-term investments at the end of the previous year less any bank  
6 indebtedness;

7 Less: Cash needed in accordance with sound and prudent business practices in  
8 the opinion of management and as approved by the Board;

9 Plus (less): The forecast cash flow from operating activities, investing activities,  
10 and financing activities (excluding any forecast common dividends);

11 Less: Forecast dividends on Preferred Shares.  
12

13 The current long term asset management plan has been in place since 2012.

14 Given that, it is expected the plan will require updating and ultimate approval  
15 by the Board of Directors, and as such the availability of cash flow for common  
16 dividends could be materially impacted.

17  
18 There is no cost of debt for Churchill Falls as the Company has no debt or  
19 borrowing costs.  
20

21 e. Please refer to PUB-Nalcor-144, Attachment 1.  
22

23 f. There are no other major expense categories to detail as Energy Sales,  
24 Operating and Maintenance Expenses and Preferred Dividends are included  
25 within this response.  
26

27 g. Please refer to PUB-Nalcor-144, Attachment 1.

**Churchill Falls Forecasted Income Statement**

(000s)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Energy Sales	106,040	108,164	108,968	109,838	110,428	111,516	112,360	113,369	114,390	115,590	116,511	117,615	118,738	120,037	121,041	122,243	123,465	124,876	125,965	127,264	128,585
Guaranteed winter availability	35,142	35,987	36,460	37,787	37,936	38,064	38,355	38,886	39,271	39,996	39,865	40,317	40,718	41,642	42,132	42,311	42,133	43,145	43,417	44,239	44,695
Share of Profit of Joint Venture - Twinco	(40)	(40)	(40)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	-	-	-	-	-	-	-	-	-
<b>Revenue</b>	<b>141,142</b>	<b>144,112</b>	<b>145,388</b>	<b>147,600</b>	<b>148,338</b>	<b>149,555</b>	<b>150,690</b>	<b>152,231</b>	<b>153,636</b>	<b>155,561</b>	<b>156,350</b>	<b>157,906</b>	<b>159,456</b>	<b>161,679</b>	<b>163,173</b>	<b>164,554</b>	<b>165,598</b>	<b>168,020</b>	<b>169,382</b>	<b>171,503</b>	<b>173,280</b>
Operating costs	59,423	60,144	60,147	61,767	63,431	65,141	66,898	68,702	70,559	72,464	74,423	76,436	78,504	80,630	82,813	85,058	87,364	89,736	92,171	94,674	97,246
Rental and royalty	6,662	6,796	6,811	6,737	6,571	6,412	6,279	6,160	6,072	6,010	5,841	5,707	5,466	5,395	5,288	5,171	5,023	5,006	4,893	4,871	4,855
Net Finance Income	(2,490)	(2,169)	(3,162)	(3,417)	(3,695)	(4,000)	(4,354)	(4,762)	(5,214)	(5,715)	(6,257)	(6,834)	(7,450)	(8,110)	(8,834)	(9,629)	(10,483)	(11,398)	(12,373)	(13,399)	(14,474)
Depreciation and Amortization	27,882	29,680	31,437	32,939	34,212	35,707	36,750	37,966	38,620	39,422	40,360	41,574	44,048	45,027	45,679	46,276	46,868	47,135	47,462	47,361	46,762
<b>Expenses</b>	<b>91,477</b>	<b>94,451</b>	<b>95,233</b>	<b>98,027</b>	<b>100,519</b>	<b>103,260</b>	<b>105,572</b>	<b>108,066</b>	<b>110,037</b>	<b>112,181</b>	<b>114,367</b>	<b>116,883</b>	<b>120,568</b>	<b>122,943</b>	<b>124,946</b>	<b>126,875</b>	<b>128,772</b>	<b>130,479</b>	<b>132,154</b>	<b>133,506</b>	<b>134,390</b>
<b>Net Income</b>	<b>49,666</b>	<b>49,660</b>	<b>50,155</b>	<b>49,573</b>	<b>47,819</b>	<b>46,295</b>	<b>45,117</b>	<b>44,164</b>	<b>43,598</b>	<b>43,380</b>	<b>41,984</b>	<b>41,023</b>	<b>38,889</b>	<b>38,737</b>	<b>38,227</b>	<b>37,678</b>	<b>36,826</b>	<b>37,542</b>	<b>37,228</b>	<b>37,997</b>	<b>38,890</b>
Retained Earnings, beginning	723,404	765,716	808,232	851,246	893,841	935,021	974,912	1,013,833	1,051,914	1,089,539	1,126,954	1,163,115	1,198,329	1,231,396	1,264,205	1,296,477	1,328,155	1,358,957	1,390,245	1,421,122	1,452,558
Preferred Dividends	7,354	7,144	7,142	6,978	6,639	6,405	6,196	6,083	5,974	5,965	5,823	5,809	5,822	5,928	5,956	6,001	6,024	6,254	6,352	6,561	6,561
Retained Earnings, ending	765,716	808,232	851,246	893,841	935,021	974,911	1,013,833	1,051,914	1,089,539	1,126,954	1,163,115	1,198,329	1,231,396	1,264,205	1,296,477	1,328,155	1,358,957	1,390,245	1,421,122	1,452,558	1,484,726

**Churchill Falls Forecasted Balance Sheet**

(000s)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Cash and investments	81,968	67,760	67,511	68,835	79,910	92,853	107,850	125,144	144,324	165,601	188,094	212,185	237,805	265,507	296,280	329,691	365,221	403,603	443,908	486,419	530,708
Trade and other receivables	19,797	20,286	20,466	20,775	20,879	21,050	21,210	21,426	21,624	21,895	22,006	22,225	22,440	22,753	22,963	23,157	23,304	23,645	23,836	24,135	24,385
Inventories and prepayments	21,791	22,512	22,513	23,120	23,742	24,383	25,040	25,715	26,410	27,124	27,857	28,610	29,384	30,180	30,997	31,838	32,701	33,589	34,500	35,437	36,400
	123,556	110,558	110,490	112,729	124,531	138,286	154,100	172,285	192,358	214,619	237,957	263,021	289,629	318,440	350,240	384,686	421,226	460,837	502,244	545,991	591,493
PPE and intangible assets	771,029	809,494	843,853	876,291	907,468	935,353	960,485	982,774	1,002,864	1,020,687	1,036,184	1,049,153	1,058,408	1,065,491	1,069,129	1,069,645	1,067,289	1,062,613	1,055,769	1,047,379	1,038,123
Reserve Fund	37,500	56,250	65,625	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Investment in TwinCo	1,903	1,863	1,823	1,798	1,773	1,748	1,722	1,697	1,672	1,647	1,621	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596
<b>Total Assets</b>	<b>933,988</b>	<b>978,165</b>	<b>1,021,791</b>	<b>1,065,819</b>	<b>1,108,772</b>	<b>1,150,386</b>	<b>1,191,307</b>	<b>1,231,757</b>	<b>1,271,895</b>	<b>1,311,953</b>	<b>1,350,763</b>	<b>1,388,769</b>	<b>1,424,633</b>	<b>1,460,527</b>	<b>1,495,965</b>	<b>1,530,927</b>	<b>1,565,111</b>	<b>1,600,046</b>	<b>1,634,609</b>	<b>1,669,967</b>	<b>1,706,212</b>
Trade and other payables	28,679	29,660	29,662	30,460	31,281	32,124	32,991	33,880	34,796	35,736	36,702	37,694	38,714	39,763	40,839	41,946	43,084	44,253	45,454	46,689	47,957
Rental and royalty payable	6,662	6,796	6,811	6,737	6,571	6,412	6,279	6,160	6,072	6,010	5,841	5,707	5,466	5,395	5,288	5,171	5,023	5,006	4,893	4,871	4,855
Current Portion Def Contributions	736	689	689	632	276	246	237	222	218	210	210	210	210	209	206	206	206	206	203	201	201
Total current liabilities	36,076	37,145	37,161	37,830	38,128	38,783	39,507	40,262	41,086	41,955	42,752	43,611	44,389	45,367	46,333	47,323	48,312	49,465	50,550	51,761	
Employee Future Benefits	32,413	33,861	35,367	36,934	38,564	40,259	42,023	43,857	45,764	47,747	49,809	51,952	54,180	56,495	58,902	61,402	64,000	66,700	69,504	72,417	75,442
Decommissioning Liability	1,390	1,176	955	728	493	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Contributions	9,141	8,499	7,810	7,234	7,315	6,931	6,693	6,472	6,254	6,044	5,835	5,625	5,416	5,207	5,001	4,795	4,589	4,384	4,181	3,980	3,778
Share capital	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900	82,900
Shareholder Contributions	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352	6,352
Retained earnings	765,716	808,232	851,246	893,841	935,021	974,911	1,013,833	1,051,914	1,089,539	1,126,954	1,163,115	1,198,329	1,231,396	1,264,205	1,296,477	1,328,155	1,358,957	1,390,245	1,421,122	1,452,558	1,484,726
Total equity	854,968	897,484	940,498	983,093	1,024,273	1,064,164	1,103,085	1,141,166	1,178,791	1,216,206	1,252,367	1,287,581	1,320,648	1,353,457	1,385,729	1,417,407	1,448,209	1,479,497	1,510,374	1,541,810	1,573,978
<b>Total Liabilities and Equity</b>	<b>933,989</b>	<b>978,165</b>	<b>1,021,791</b>	<b>1,065,819</b>	<b>1,108,773</b>	<b>1,150,386</b>	<b>1,191,308</b>	<b>1,231,757</b>	<b>1,271,895</b>	<b>1,311,953</b>	<b>1,350,763</b>	<b>1,388,769</b>	<b>1,424,633</b>	<b>1,460,527</b>	<b>1,495,965</b>	<b>1,530,927</b>	<b>1,565,110</b>	<b>1,600,045</b>	<b>1,634,609</b>	<b>1,669,967</b>	<b>1,706,212</b>

**Churchill Falls Forecasted Statement of Cash Flow**

(000s)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Net Income	49,666	49,660	50,155	49,573	47,819	46,295	45,117	44,164	43,598	43,380	41,984	41,023	38,889	38,737	38,227	37,678	36,826	37,542	37,228	37,997	38,890
Depreciation and Amortization	27,882	29,680	31,437	32,939	34,212	35,707	36,750	37,966	38,620	39,422	40,360	41,574	44,048	45,027	45,679	46,276	46,868	47,135	47,462	47,361	46,762
Amortization of deferred contributions	(736)	(689)	(689)	(632)	(276)	(414)	(246)	(237)	(222)	(218)	(210)	(210)	(210)	(210)	(209)	(206)	(206)	(206)	(206)	(203)	(201)
Employee future benefits	2,377	2,652	2,757	2,866	2,979	3,096	3,218	3,344	3,475	3,611	3,752	3,899	4,050	4,208	4,371	4,541	4,717	4,899	5,089	5,285	5,488
Loss on Disposal of PPE	674	674	688	702	716	730	744	759	775	790	806	822	838	855	872	890	907	926	944	963	982
Share of Profit of Joint Venture - Twinco	40	40	40	25	25	25	25	25	25	25	25	25	-	-	-	-	-	-	-	-	-
Decommissioning Liability Settled	(206)	(214)	(220)	(228)	(235)	(243)	(250)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	79,697	81,804	84,168	85,246	85,241	85,197	85,358	86,021	86,272	87,011	86,717	87,134	87,615	88,617	88,941	89,179	89,112	90,297	90,518	91,402	91,922
Net Changes in Working Capital	(4,341)	(94)	(165)	(190)	(73)	(127)	(84)	(121)	(66)	(107)	(47)	(113)	(210)	(130)	(58)	(44)	(21)	(76)	(15)	(23)	40
Change in Reserve Fund	(18,750)	(18,750)	(9,375)	(9,375)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits Paid	(786)	(1,205)	(1,251)	(1,299)	(1,349)	(1,401)	(1,454)	(1,510)	(1,568)	(1,628)	(1,691)	(1,755)	(1,823)	(1,893)	(1,965)	(2,041)	(2,119)	(2,200)	(2,284)	(2,372)	(2,463)
Cash from Operating Activities	55,820	61,754	73,377	74,382	83,819	83,670	83,819	84,390	84,639	85,277	84,980	85,265	85,582	86,594	86,917	87,094	86,972	88,021	88,218	89,006	89,499
Change in Fixed Assets	(66,499)	(68,819)	(66,484)	(66,079)	(66,105)	(64,321)	(62,626)	(61,014)	(59,485)	(58,035)	(56,663)	(55,365)	(54,141)	(52,965)	(50,190)	(47,682)	(45,419)	(43,385)	(41,562)	(39,934)	-
Change in LT Investment	51,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash from Investing Activities	(14,899)	(68,819)	(66,484)	(66,079)	(66,105)	(64,321)	(62,626)	(61,014)	(59,485)	(58,035)	(56,663)	(55,365)	(54,141)	(52,965)	(50,190)	(47,682)	(45,419)	(43,385)	(41,562)	(39,934)	(38,488)
Preferred Dividends Paid	(7,354)	(7,144)	(7,142)	(6,978)	(6,639)	(6,405)	(6,196)	(6,083)	(5,974)	(5,965)	(5,823)	(5,809)	(5,822)	(5,928)	(5,956)	(6,001)	(6,024)	(6,254)	(6,352)	(6,561)	(6,722)
Cash from Financing Activities	(7,354)	(7,144)	(7,142)	(6,978)	(6,639)	(6,405)	(6,196)	(6,083)	(5,974)	(5,965)	(5,823)	(5,809)	(5,822)	(5,928)	(5,956)	(6,001)	(6,024)	(6,254)	(6,352)	(6,561)	(6,722)
Net Increase (Decrease) in Cash	33,567	(14,208)	(249)	1,324	11,075	12,943	14,996	17,294	19,180	21,277	22,493	24,091	25,620	27,702	30,772	33,411	35,530	38,382	40,304	42,511	44,289
Cash Position, beginning	48,400	81,968	67,760	67,511	68,835	79,910	92,853	107,850	125,144	144,324	165,601	188,094	212,185	237,805	265,507	296,280	329,691	365,221	403,603	443,908	486,419
Cash Position, ending	81,968	67,759	67,511	68,835	79,910	92,853	107,850	125,143	144,324	165,600	188,094	212,185	237,805	265,507	296,280	329,691	365,221	403,603	443,908	486,419	530,708

# PUB-Nalcor-144, Attachment 1

## Rate Mitigation Options and Impacts Reference, Page 4 of 9

### Churchill Falls Forecasted Energy Sales MWh and Price

(000s)

#### Recapture Energy Sales to NLH

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Energy Sales (Mwh)	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365	2,365
Sale Price/MWh	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Sales (000's)	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730	\$ 4,730

#### Continuous Energy Sales to HQ

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Energy Sales (Mwh)	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970	28,970
Sale Price/MWh	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Sales (000's)	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940	\$ 57,940

#### Twin Block Energy Sales to NLH - Price is adjusted by CPI annually

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Energy Sales (MWh)	1,923	1,976	1,971	1,971	1,971	1,976	1,971	1,971	1,971	1,976	1,971	1,971	1,976	1,971	1,971	1,971	1,971	1,976	1,971	1,971	1,971
Sale Price/MWh	\$ 22.18	\$ 22.67	\$ 23.14	\$ 23.61	\$ 24.09	\$ 24.59	\$ 25.09	\$ 25.61	\$ 26.13	\$ 26.67	\$ 27.21	\$ 27.77	\$ 28.34	\$ 28.92	\$ 29.51	\$ 30.12	\$ 30.74	\$ 31.37	\$ 32.01	\$ 32.67	
Sales (000's)	\$ 42,633.82	\$ 44,804.99	\$ 45,608.94	\$ 46,535.31	\$ 47,481.39	\$ 48,599.68	\$ 49,452.39	\$ 50,477.31	\$ 51,502.23	\$ 52,710.59	\$ 53,630.91	\$ 54,734.67	\$ 55,858.14	\$ 57,157.49	\$ 58,164.21	\$ 59,366.52	\$ 60,588.54	\$ 61,999.67	\$ 63,091.71	\$ 64,392.57	#VALUE!
<b>Total Energy Sales</b>	\$ 105,303.82	\$ 107,474.99	\$ 108,278.94	\$ 109,205.31	\$ 110,151.39	\$ 111,269.68	\$ 112,122.39	\$ 113,147.31	\$ 114,172.23	\$ 115,380.59	\$ 116,300.91	\$ 117,404.67	\$ 118,528.14	\$ 119,827.49	\$ 120,834.21	\$ 122,036.52	\$ 123,258.54	\$ 124,669.67	\$ 125,761.71	\$ 127,062.57	#VALUE!

In addition to the detail above, Energy Sales on the Income Statement includes the Amortization of Deferred Contributions.

**Churchill Falls Forecasted GWAC Energy Sales and Price**

(000s)

Information detailed below is as per the GWAC contract with assumption of 92.5% availability until the end of 2021 and 95% avail:

	Peak \$	OffP \$	Peak Hrs	OffP HRs	Total Hrs	Availability		0.682 KW
						95% Revenue	92.50%	
Jan-19	24.7	7.2	352	392	744			
Feb-19	24.7	7.2	320	352	672			
Mar-19	24.7	7.2	336	407	743			
Nov-19	24.9	7.3	336	385	721			
Dec-19	24.9	7.3	336	408	744		<b>35,142</b>	
Jan-20	24.9	7.3	352	392	744			
Feb-20	24.9	7.3	320	376	696			
Mar-20	24.9	7.3	352	391	743			
Nov-20	25.2	7.4	336	385	721			
Dec-20	25.2	7.4	352	392	744		<b>35,987</b>	
Jan-21	25.2	7.4	320	424	744			
Feb-21	25.2	7.4	320	352	672			
Mar-21	25.2	7.4	368	375	743			
Nov-21	25.4	7.5	352	369	721			
Dec-21	25.4	7.5	368	376	744		<b>36,460</b>	
Jan-22	25.4	7.5	336	408	744			
Feb-22	25.4	7.5	320	352	672			
Mar-22	25.4	7.5	368	375	743			
Nov-22	25.7	7.5	352	369	721			
Dec-22	25.7	7.5	352	392	744		<b>37,787</b>	
Jan-23	25.7	7.5	352	392	744			
Feb-23	25.7	7.5	320	352	672			
Mar-23	25.7	7.5	368	375	743			
Nov-23	25.9	7.6	352	369	721			
Dec-23	25.9	7.6	320	424	744		<b>37,936</b>	
Jan-24	25.9	7.6	352	392	744			
Feb-24	25.9	7.6	336	360	696			
Mar-24	25.9	7.6	320	423	743			
Nov-24	26.2	7.7	336	385	721			
Dec-24	26.2	7.7	336	408	744		<b>38,064</b>	
Jan-25	26.2	7.7	352	392	744			
Feb-25	26.2	7.7	320	352	672			
Mar-25	26.2	7.7	336	407	743			
Nov-25	26.4	7.8	320	401	721			
Dec-25	26.4	7.8	352	392	744		<b>38,355</b>	
Jan-26	26.4	7.8	336	408	744			
Feb-26	26.4	7.8	320	352	672			
Mar-26	26.4	7.8	352	391	743			
Nov-26	26.7	7.8	336	385	721			
Dec-26	26.7	7.8	352	392	744		<b>38,886</b>	
Jan-27	26.7	7.8	320	424	744			
Feb-27	26.7	7.8	320	352	672			
Mar-27	26.7	7.8	336	407	743			
Nov-27	27	7.9	352	369	721			
Dec-27	27	7.9	368	376	744		<b>39,271</b>	
Jan-28	27	7.9	336	408	744			
Feb-28	27	7.9	336	360	696			
Mar-28	27	7.9	368	375	743			
Nov-28	27.2	8	352	369	721			
Dec-28	27.2	8	320	424	744		<b>39,996</b>	

**PUB-Nalcor-144, Attachment 1**  
**Rate Mitigation Options and Impacts Reference, Page 6 of 9**

Jan-29	27.2	8	352	392	744	
Feb-29	27.2	8	320	352	672	
Mar-29	27.2	8	336	407	743	
Nov-29	27.5	8.1	352	369	721	
Dec-29	27.5	8.1	320	424	744	<b>39,865</b>
Jan-30	27.5	8.1	352	392	744	
Feb-30	27.5	8.1	320	352	672	
Mar-30	27.5	8.1	336	407	743	
Nov-30	27.8	8.2	336	385	721	
Dec-30	27.8	8.2	336	408	744	<b>40,317</b>
Jan-31	27.8	8.2	352	392	744	
Feb-31	27.8	8.2	320	352	672	
Mar-31	27.8	8.2	336	407	743	
Nov-31	28.1	8.2	320	401	721	
Dec-31	28.1	8.2	352	392	744	<b>40,718</b>
Jan-32	28.1	8.2	336	408	744	
Feb-32	28.1	8.2	320	376	696	
Mar-32	28.1	8.2	336	407	743	
Nov-32	28.4	8.3	352	369	721	
Dec-32	28.4	8.3	368	376	744	<b>41,642</b>
Jan-33	28.4	8.3	336	408	744	
Feb-33	28.4	8.3	320	352	672	
Mar-33	28.4	8.3	368	375	743	
Nov-33	28.6	8.4	352	369	721	
Dec-33	28.6	8.4	352	392	744	<b>42,132</b>
Jan-34	28.6	8.4	352	392	744	
Feb-34	28.6	8.4	320	352	672	
Mar-34	28.6	8.4	368	375	743	
Nov-34	28.9	8.5	352	369	721	
Dec-34	28.9	8.5	320	424	744	<b>42,311</b>
Jan-35	28.9	8.5	352	392	744	
Feb-35	28.9	8.5	320	352	672	
Mar-35	28.9	8.5	320	423	743	
Nov-35	29.2	8.6	352	369	721	
Dec-35	29.2	8.6	320	424	744	<b>42,133</b>
Jan-36	29.2	8.6	352	392	744	
Feb-36	29.2	8.6	336	360	696	
Mar-36	29.2	8.6	336	407	743	
Nov-36	29.5	8.7	320	401	721	
Dec-36	29.5	8.7	352	392	744	<b>43,145</b>
Jan-37	29.5	8.7	336	408	744	
Feb-37	29.5	8.7	320	352	672	
Mar-37	29.5	8.7	352	391	743	
Nov-37	29.8	8.7	336	385	721	
Dec-37	29.8	8.7	352	392	744	<b>43,417</b>
Jan-38	29.8	8.7	320	424	744	
Feb-38	29.8	8.7	320	352	672	
Mar-38	29.8	8.7	368	375	743	
Nov-38	30.1	8.8	352	369	721	
Dec-38	30.1	8.8	368	376	744	<b>44,239</b>
Jan-39	30.1	8.8	336	408	744	
Feb-39	30.1	8.8	320	352	672	
Mar-39	30.1	8.8	368	375	743	
Nov-39	30.4	8.9	352	369	721	
Dec-39	30.4	8.9	352	392	744	<b>44,695</b>

ability thereafter.

# PUB-Nalcor-144, Attachment 1

## Rate Mitigation Options and Impacts Reference, Page 8 of 9

### Churchill Falls Forecasted O&M

(000s)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Costs	22,285	22,285	22,285	22,777	23,281	23,796	24,322	24,859	25,409	25,971	26,545	27,132	27,732	28,345	28,971	29,612	30,267	30,936	31,620	32,319	33,033
Salaries	36,464	36,985	36,970	38,080	39,222	40,399	41,611	42,859	44,145	45,469	46,833	48,238	49,685	51,176	52,711	54,292	55,921	57,599	59,327	61,106	62,940
Removal Cost	-	200	204	208	212	216	221	225	230	234	239	244	249	254	259	264	269	275	280	286	291
Loss on Disposal	674	674	688	702	716	730	744	759	775	790	806	822	838	855	872	890	907	926	944	963	982
<b>TOTAL</b>	<b>59,423</b>	<b>60,144</b>	<b>60,147</b>	<b>61,766</b>	<b>63,430</b>	<b>65,140</b>	<b>66,897</b>	<b>68,703</b>	<b>70,558</b>	<b>72,464</b>	<b>74,423</b>	<b>76,435</b>	<b>78,504</b>	<b>80,629</b>	<b>82,813</b>	<b>85,058</b>	<b>87,364</b>	<b>89,735</b>	<b>92,171</b>	<b>94,674</b>	<b>97,247</b>

Key Assumptions

Starting in 2022, Operating costs are escalated at estimated CPI - 2.2%

Starting in 2022, Salaries are escalated at 3%

Removal Cost and Loss on Disposal are escalated at 2%

**PUB-Nalcor-144, Attachment 1**  
**Rate Mitigation Options and Impacts Reference, Page 9 of 9**

**Churchill Falls Forecasted Preferred Dividends**

(000s)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Net Income	49,666	49,660	50,155	49,573	47,819	46,295	45,117	44,164	43,598	43,380	41,984	41,023	38,889	38,737	38,227	37,678	36,826	37,542	37,228	37,997	38,890
Depreciation and Amortization	27,882	29,680	31,437	32,939	34,212	35,707	36,750	37,966	38,620	39,422	40,360	41,574	44,048	45,027	45,679	46,276	46,868	47,135	47,462	47,361	46,762
Employee Benefits	2,377	2,652	2,757	2,866	2,979	3,096	3,218	3,344	3,475	3,611	3,752	3,899	4,050	4,208	4,371	4,541	4,717	4,899	5,089	5,285	5,488
Loss on Disposal	674	674	688	702	716	730	744	759	775	790	806	822	838	855	872	890	907	926	944	963	982
Share of Profit of Joint Venture - Twinco	40	40	40	25	25	25	25	25	25	25	25	25	-	-	-	-	-	-	-	-	-
Benefits Paid	(786)	(1,205)	(1,251)	(1,299)	(1,349)	(1,401)	(1,454)	(1,510)	(1,568)	(1,628)	(1,691)	(1,755)	(1,823)	(1,893)	(1,965)	(2,041)	(2,119)	(2,200)	(2,284)	(2,372)	(2,463)
CCA Total	(31,153)	(33,876)	(36,215)	(38,285)	(40,141)	(41,752)	(43,090)	(44,196)	(45,102)	(45,834)	(46,414)	(46,860)	(47,190)	(47,417)	(47,481)	(47,339)	(47,038)	(46,612)	(46,090)	(45,494)	(44,845)
Notional Tax Income	48,700	47,626	47,611	46,522	44,262	42,700	41,310	40,553	39,824	39,767	38,823	38,727	38,812	39,517	39,704	40,005	40,161	41,690	42,349	43,739	44,815
<b>Preferred Dividends - Tax Rate ( 15%)</b>	<b>7,354</b>	<b>7,144</b>	<b>7,142</b>	<b>6,978</b>	<b>6,639</b>	<b>6,405</b>	<b>6,196</b>	<b>6,083</b>	<b>5,974</b>	<b>5,965</b>	<b>5,823</b>	<b>5,809</b>	<b>5,822</b>	<b>5,928</b>	<b>5,956</b>	<b>6,001</b>	<b>6,024</b>	<b>6,254</b>	<b>6,352</b>	<b>6,561</b>	<b>6,722</b>