

1 Q. **Re: LAB-NLH-021**

2 Under these same hypotheses, please provide:

3 a) The increase in rate base due to these two components, for the years 2020,  
4 2021, 2022 and 2023;

5 b) The resulting increase in Labrador revenue requirements for the years 2020,  
6 2021, 2022 and 2023;

7 c) The annual revenues expected from existing data centre customers in each of  
8 the years 2020, 2021, 2022 and 2023;

9 d) The estimated rate increase for existing customers in each of the years 2020,  
10 2021, 2022 and 2023, assuming no load growth other than data centres;

11 e) The estimated rate increase for existing customers in each of the years 2020,  
12 2021, 2022 and 2023, assuming the load growth described in the load forecast  
13 in Table 1 of the Nov. 30 letter; and

14 f) The estimated rate increase for existing customers in each of the years 2020,  
15 2021, 2022 and 2023, assuming the load growth described in the load forecast  
16 in Table 1 of the Nov. 30 letter but where data centre loads are all curtailed for  
17 the peak 300 hours of the year.

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20 A.

21 a) Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to LAB-  
22 NLH-040 (c).

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24 b) to f) Hydro's 2017 General Rate Application ("GRA") is based upon 2018 and  
25 2019 Test Years. Additions to rate base beyond the 2019 Test Year will not impact  
26 customer rates until Hydro's next GRA. Therefore, Hydro is not able to provide  
27 responses to questions b), c), d), e), and f) as customer rates for the requested  
28 timeframes will not be known until the next GRA. Further, customer rate impacts

**2018 Capital Budget Application – Muskrat Falls to Happy Valley Interconnection Project**

1 with and without data centres for the years 2020 through 2023 are not required for  
 2 the Board of Commissioners of Public Utilities to determine whether the Muskrat  
 3 Falls to Happy Valley Interconnection project (the “Project”) is least-cost consistent  
 4 with reliable service.

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6 As noted in Hydro’s response to LAB-NLH-040(c), Hydro is currently forecasting a  
 7 2019 Test Year average rate base impact of approximately \$4.7 million for the  
 8 Project. Excluding the impact of depreciation, the full cost of the Project will not be  
 9 reflected in rate base until 2021 at the earliest.

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11 In an effort to be responsive to this request for information, Hydro has computed  
 12 the rate base, revenue requirement, and customer rate impacts for both the 2019  
 13 Test Year average rate base and the full Project inclusion rate base scenarios.<sup>1</sup>

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**Table 1: Rate Base and Revenue Requirement Impacts of the Muskrat Falls – Happy Valley Interconnection Project (\$ millions)**

Particulars	Rate Base Impact	Revenue Requirement
2019 Test Year	4.7	0.3
Full Project Inclusion in Rate Base	20.8	1.6

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<sup>1</sup> Both scenarios exclude the impact of depreciation and are based on Hydro’s proposed 2019 Test Year rate of return.

**Table 2: Estimated Labrador Rate Impacts of the Muskrat Falls – Happy Valley Interconnection Project (%)**

<b>Particulars</b>	<b>2019 Test Year</b>	<b>Full Rate Base<sup>2</sup></b>
Rural Labrador Interconnected	0.6	3.3
Labrador Industrial	3.1	17.7

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<sup>2</sup> Reflects the cumulative rate increase for the Project.