

1 Q. **Reference: Application**

2 Please provide a detailed calculation of the cost to own and operate Hydro's hydro generation
3 facilities; i.e., the amount of money recovered annually from Hydro customers owing to Hydro's
4 hydro generation facilities.

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7 A. Table 1 details the annual cost of hydraulic generation recovered through rates from customers
8 on the Island Interconnected System.¹

Table 1: Island Interconnected System Hydraulic Generation Revenue Requirement

| Cost Type | \$ |
|--------------------------|-------------------|
| Depreciation Expense | 17,084,956 |
| Operations & Maintenance | 11,739,614 |
| Return on Debt | 27,860,044 |
| Return on Equity | 12,267,287 |
| Total | 68,951,901 |

9 The above costs translate to an average unit rate of 1.5 cents per kWh.

¹ Based on Newfoundland and Labrador Hydro's 2019 Test Year Cost of Service Study.