

1 **Q. Reference: “2021 Capital Budget Application,” Newfoundland Power, July 9, 2020,**
 2 **2020 Capital Plan (sic), sec. 2.3.2, at p. 14/3–5.**

3
 4 **Citation:**

5
 6 **Since 2014, Newfoundland Power’s contribution to revenue requirement has**
 7 **increased by approximately 6%. On an inflation-adjusted basis, the Company’s**
 8 **contribution to revenue requirement has effectively remained flat.**

9
 10 **Please provide the revenue requirement impact of the change in capital in**
 11 **Newfoundland Power’s rate base (including depreciation, return, and interest) by**
 12 **year from 2014 to 2020.**

13
 14 **A.** The relationship between Newfoundland Power’s capital expenditures and its revenue
 15 requirements is not a direct one.¹ As a result, the Company cannot provide the data as
 16 requested.

17
 18 Newfoundland Power can provide a breakdown of the Company’s revenue requirements
 19 from 2014 to 2020, excluding purchased power costs. See Table 1 below.

Table 1
Test Year Revenue Requirements
2014 to 2020
(\$millions)

	2014	2015²	2016	2017	2018³	2019	2020
Operating Costs ⁴	79	79	72	72	72	71	66
Depreciation	48	48	56	59	59	62	65
Income Taxes	16	16	17	18	18	18	19
Return on Rate Base	75	75	76	79	79	80	83
Other Revenues ⁵	(5)	(5)	(5)	(5)	(5)	(6)	(6)
	213	213	216	223	223	225	227

¹ Please refer to the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan, Section 2.3 Capital Investment and Customer Costs*, for a fulsome discussion on the relationship between the Company’s capital investments, revenue requirements and customer rates.

² Based on Newfoundland Power’s 2014 revenue requirement.

³ Based on Newfoundland Power’s 2017 revenue requirement.

⁴ Includes operating expenses, employee future benefits and regulatory accounts.

⁵ Net of interest on security deposits.