

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18, 2021**
 2 **2022 Capital Plan, sec 2.3.2 at p.12**

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 4 **Citation:**

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 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 decreased by approximately 2%**

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 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 2021.**

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 Table 1 provides a breakdown of Newfoundland Power’s test year revenue requirements
 19 from 2014 to 2021, excluding purchased power costs.

Table 1
Test Year Revenue Requirements
2014 to 2021
(\$millions)

	2014	2015²	2016	2017	2018³	2019	2020	2021⁴
Operating Costs ⁵	79	79	72	72	72	71	66	66
Depreciation	48	48	56	59	59	62	65	65
Income Taxes	16	16	17	18	18	18	19	19
Return on Rate Base	75	75	76	79	79	80	83	83
Other Revenues ⁶	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)
	213	213	216	223	223	225	227	227

¹ See the 2022 Capital Budget Application, 2022 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 Based on Newfoundland Power’s 2020 revenue requirement.

⁵ Includes operating expenses, employee future benefits and regulatory accounts.

⁶ Net of interest on security deposits.