

1 **Q. (Reference CA-NP-001) The response provides historical data for the past 20 years**
2 **and forecast data for the years 2021 through 2026 relating to rate base, revenue**
3 **requirement, capital budgets and year-over-year rate changes.**

4 **Please confirm, or correct as necessary, the following:**

5 a) **Average rate base increased by 117% from 2001 to 2020, representing an**
6 **average annual increase of 4.15% over the period.**

7 b) **Average rate base is forecast to increase by 23% from 2020 to 2026,**
8 **representing an average annual increase of 3.5% over the period. Please**
9 **provide a graph showing average rate base amounts in each year from 2001**
10 **through 2021, forecast from 2001 through 2026, and from 2027 to 2035 if**
11 **amounts beyond 2026 increase by 3.5% annually. On the same graph, please**
12 **show the number of customers in each year from 2001 through 2021, forecast**
13 **from 2001 to 2026, and from 2027 to 2035 if the number of customers increases**
14 **by the average annual increase from 2020 to 2026 (forecast).**

15 c) **Revenue requirement excluding purchase power costs increased by 50% from**
16 **2001 to 2020.**

17 d) **Proposed capital budget amounts increased by 77% from 2001 to 2021,**
18 **representing an annual average increase of 2.9%. Please provide a graph**
19 **showing capital budget amounts in each year from 2001 through 2021 and**
20 **through 2035 if amounts increase by 2.9% per year after 2021. On the same**
21 **graph, please show the number of customers in each year from 2001 through**
22 **2021, forecast from 2001 to 2026, and from 2027 to 2035 if the number of**
23 **customers increases by the average annual increase from 2020 to 2026**
24 **(forecast).**

25 e) **Every dollar of the proposed capital budget from 2002 to 2021 was approved**
26 **by the Board.**

27
28 A. a) The increase in average rate base over the 2001 to 2020 period is approximately
29 117%, or an average of 6.1% on an annual basis.

30
31 On an inflation-adjusted basis, the increase in average rate base over the 2001 to
32 2020 period is approximately 40%, or an average of 2.1% on an annual basis.

33
34 The increase in customers over the 2001 to 2020 period is approximately 25%, or
35 an average of 1.3% on an annual basis.

36
37 b) The increase in average rate base over the 2020 to 2026 forecast period is
38 approximately 23%, or an average of 3.8% on an annual basis.

39
40 On an inflation-adjusted basis, the increase in average rate base over the 2020 to
41 2026 forecast period is approximately 9%, or an average of 1.5% on an annual
42 basis.

1 See Figure 1 in Attachment A for the requested graph from 2001 to 2026 forecast.

2
3 Newfoundland Power does not maintain the requested forecasts beyond 2026.
4 Therefore, the requested information for the 2027 to 2035 period cannot be
5 provided. Furthermore, providing statistically derived forecasts would not be
6 reflective of the Company's future average rate base or customer base.

- 7
8 c) The increase in revenue requirement excluding purchase power costs over the
9 2001 to 2020 period is approximately 50%.

10
11 On an inflation-adjusted basis, the increase in revenue requirement excluding
12 purchase power costs over the 2001 to 2020 period is approximately 6%.

- 13
14 d) The increase in capital budget amounts over the 2001 to 2020 period, which is
15 consistent with the period requested for parts (a) and (c) to this Request for
16 Information, is approximately 53%, or an average of 2.8% on an annual basis.

17
18 On an inflation-adjusted basis, the decrease in capital budget amounts over the
19 2001 to 2020 period is approximately 1%, or an average of 0.04% on an annual
20 basis.

21
22 The increase in capital budget amounts over the 2001 to 2021 forecast period is
23 approximately 77%, or an average of 3.8% on an annual basis.

24
25 On an inflation-adjusted basis, the increase in capital budget amounts over the
26 2001 to 2021 forecast period is approximately 12%, or an average of 0.6% on an
27 annual basis.

28
29 See Figure 2 in Attachment A for the requested graph from 2001 to 2026 forecast.

30
31 Newfoundland Power does not maintain the requested forecasts beyond 2026.
32 Therefore, the requested information for the 2027 to 2035 period cannot be
33 provided. Furthermore, providing statistically derived forecasts would not be
34 reflective of the Company's future capital budget amounts or customer base.

- 35
36 e) It is not confirmed. The Board disallowed capital expenditures of \$500,000 for
37 the *Transmission System Engineering Study* in the *2003 Capital Budget*
38 *Application*.¹ The Board also disallowed capital expenditures of \$1.7 million for
39 the purchase of a 2.5 MW portable diesel generator in the *2004 Capital Budget*
40 *Application*.²

¹ See Order No. P.U. 36 (2002-2003).

² See Order No. P.U. 35 (2003).

Graph Requests

Requested Graphs
Average Rate Base and Capital Budgets

Figure 1
Average Rate Base and Customers
2001 to 2026 Pro Forma
(\$millions)

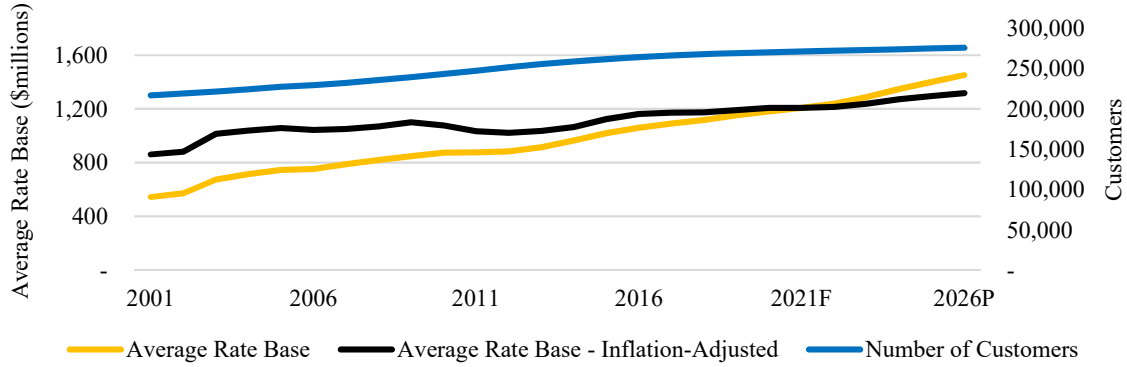


Figure 2
Capital Budgets and Customers
2001 to 2026 Pro Forma
(\$millions)

