

1 Q. **2013 General Rate Application, Finance**

2 What is the increase in the 2013 revenue requirement due to increasing the return
3 on equity to 8.80% instead of Hydro's marginal cost of debt and including all rural
4 assets, previously excluded, in the calculation of rate base?

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7 A. Please see PUB-NLH-056 Attachment 1¹ (Revision 1).

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Newfoundland and Labrador Hydro

2015 Test Year Cost of Service

Analysis of Changes

Line No.	Description	Total Revenue Requirement		Increase (Decrease)
		2015	2015	
		Test Year	No return on rural assets ROE 3.558%	
	Revenue Requirement			
	Expenses			
1	Operating, Maintenance and Admin.	139,566,670	139,566,670	-
2	Fuels - No. 6 Fuel	245,426,358	245,426,358	-
3	Fuels - Diesel	18,754,061	18,754,061	-
4	Fuels - Gas Turbine	3,672,993	3,672,993	-
5	Fuel Supply Deferral	1,991,280	1,991,280	-
6	Power Purchases -CF(L)Co	1,856,851	1,856,851	-
7	Power Purchases - Other	61,396,916	61,396,916	-
8	Depreciation	64,339,518	64,339,518	-
	Expense Credits:		-	-
9	Sundry	(664,680)	(664,680)	-
10	Building Rental Income	(17,472)	(17,472)	-
11	Tax Refunds	-	-	-
12	Suppliers' Discounts	(103,548)	(103,548)	-
13	Pole Attachments	(1,718,482)	(1,718,482)	-
14	Secondary Energy Revenues	-	-	-
15	Wheeling Revenues	-	-	-
16	Application Fees	(26,544)	(26,544)	-
17	Meter Test Revenues	(3,400)	(3,400)	-
18	Total Expense Credits	(2,534,126)	(2,534,126)	-
18	Subtotal Expenses	534,470,521	534,470,521	-
19	Disposal Gain/Loss	4,074,381	4,074,381	-
20	Subtotal Rev Req Excl Return	538,544,902	538,544,902	-
21	Return on Debt	88,982,245	88,982,245	-
22	Return on Equity	33,867,524	10,782,372	(23,085,152)
23	Total Revenue Requirement ¹	661,394,670	638,309,518	(23,085,152)

¹ Please see Section 3: Finance, Page 3.10, Footnote 7