PUB-NLH-308 (Revision 1, Dec 4-14) 2013 NLH General Rate Application

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1	Q.	Further to the responses to PUB NLH-054 and PUB-NLH-056 what is the increase in
2		the 2015 Revenue Requirement if the return on equity is Hydro's marginal cost of
3		debt, 4.138% (response to PUB-NLH-053) and rural assets are included in rate base?
4		
5		
6	A.	Please see PUB-NLH-308 Attachment 1 (Revision 1).

Newfoundland and Labrador Hydro 2015 Test Year Cost of Service Analysis of Changes

Total Revenue Requirement

Test Year ROE 3,558% (Decrease Test Year ROE 3,558% (Decrease Coercase C						
Revenue Requirement Expenses 1			2015	2015	Increase	
Revenue Requirement Expenses 1	Line		Test Year	ROE 3.558%	(Decrease)	
Expenses 1	No.	Description				
Expenses 1		·				
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 (1,718,482) (1,718,482) - 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 (3,3400) (3,400) - 18 Total Expense Credits (2,534,126) - 19 Disposal Gain/Loss 4,074,381 4,074,381 - 10 Subtotal Expenses 534,470,521 534,470,521 - 19 Disposal Gain/Loss 4,074,381 4,074,381 - 20 Subtotal Rev Reqt Excl Return 538,584,902 538,584,902 - 21 Return on Debt 88,982,245 88,982,245 - 22 Return on Equity 33,867,524 13,661,031 (20,206,493)		Revenue Requirement				
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 - 8 Depreciation 64,339,518 64,339,518 - 9 Sundry (664,680) (664,680) - 10 Building Rental Income (17,472) (17,472) - 12 Suppliers' Discounts (103,548) (103,548) - 13 Pole Attachments (103,548) (103,548) - 14 Secondary Energy Revenues - - - 15 Wheeling Revenues - - - 6 Application Fees (26,544) (26,544) -		Expenses				
Fuels - Diesel 18,754,061 18,754,061 -	1	Operating, Maintenance and Admin.	139,566,670	139,566,670	-	
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 - 8 Depreciation 664,680 (664,680) - 9 Sundry (664,680) (664,680) - 10 Building Rental Income (17,472) - - 11 Tax Refunds - - - - - 12 Suppliers' Discounts (103,548) (103,548) (103,548) - <td>2</td> <td>Fuels - No. 6 Fuel</td> <td>245,426,358</td> <td>245,426,358</td> <td>-</td>	2	Fuels - No. 6 Fuel	245,426,358	245,426,358	-	
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:	3	Fuels - Diesel	18,754,061	18,754,061	-	
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:	4	Fuels - Gas Turbine	3,672,993	3,672,993	-	
7 Power Purchases - Other 61,396,916 61,396,916 - 8 Depreciation 64,339,518 64,339,518 - Expense Credits:	5	Fuel Supply Deferral	1,991,280	1,991,280	-	
Depreciation 64,339,518 64,339,518	6	Power Purchases - CF(L)Co	1,856,851	1,856,851	-	
Expense Credits:	7	Power Purchases - Other	61,396,916	61,396,916	-	
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 -<	8	Depreciation	64,339,518	64,339,518	-	
Building Rental Income		Expense Credits:			-	
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 Reqt 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 13,661,031 (20,206,493)	9	Sundry	(664,680)	(664,680)	-	
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 Reqt 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 13,661,031 (20,206,493)	10	Building Rental Income	(17,472)	(17,472)	-	
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 Reqt 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 13,661,031 (20,206,493)	11	Tax Refunds	-	-	-	
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 Reqt Excl Return 538,544,902 - 21 Return on Debt 88,982,245 88,982,245 - 22 Return on Equity 33,867,524 13,661,031 (20,206,493)	12	Suppliers' Discounts	(103,548)	(103,548)	-	
15 Wheeling Revenues -	13	Pole Attachments	(1,718,482)	(1,718,482)	-	
16 Application Fees (26,544) (26,544) - 17 Meter Test Revenues (3,400) (3,400) - 18 Total Expense Credits (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 Reqt 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 13,661,031 (20,206,493)	14	Secondary Energy Revenues	-	-	-	
17 Meter Test Revenues (3,400) (3,400) - 18 Total Expense Credits (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 Reqt 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 13,661,031 (20,206,493)	15	Wheeling Revenues		-	-	
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 Reqt 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 13,661,031 (20,206,493)	16	Application Fees	(26,544)	(26,544)	-	
18 Subtotal Expenses 534,470,521 534,470,521 - 19 Disposal Gain/Loss 4,074,381 4,074,381 - 20 Subtotal Rev Reqt 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 13,661,031 (20,206,493)	17	Meter Test Revenues	(3,400)	(3,400)	-	
19 Disposal Gain/Loss	18	Total Expense Credits	(2,534,126)	(2,534,126)	-	
19 Disposal Gain/Loss						
20 Subtotal Rev Reqt 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 13,661,031 (20,206,493)	18	Subtotal Expenses	534,470,521	534,470,521	-	
20 Subtotal Rev Reqt 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 13,661,031 (20,206,493)						
20 Subtotal Rev Reqt 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 13,661,031 (20,206,493)						
21 Return on Debt 88,982,245 88,982,245 - 22 Return on Equity 33,867,524 13,661,031 (20,206,493)	19	Disposal Gain/Loss	4,074,381	4,074,381	-	
21 Return on Debt 88,982,245 88,982,245 - 22 Return on Equity 33,867,524 13,661,031 (20,206,493)						
22 Return on Equity 33,867,524 13,661,031 (20,206,493)	20	Subtotal Rev Reqt Excl Return	538,544,902	538,544,902	-	
22 Return on Equity 33,867,524 13,661,031 (20,206,493)						
					-	
23 Total Revenue Requirement ¹ 661,394,670 641,188,177 (20,206,493)	22	Return on Equity	33,867,524	13,661,031	(20,206,493)	
23 Total Revenue Requirement (20,206,493)						
	23	Total Revenue Requirement '	661,394,670	641,188,177	(20,206,493)	

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