

1 Q. Page 11, lines 19-20: Please list the contribution of each of the following (by
 2 percent) to the proposed 11.2% base rate increase for Newfoundland Power:
 3 operating and maintenance expenses, fuel, power purchases, depreciation, interest,
 4 return on equity, rural deficit and other.

5

6

7 A. The changes in Newfoundland Power's revenue requirement from the 2007 Test
 8 Year to the proposed 2015 Test Year and the contribution of each to the 11.2% rate
 9 increase are shown in the table below.

10

	2007 COS ¹	2015 COS ¹	Variance (\$)	Contribution to Rate Increase (%)
	(\$millions)			
Operating & Maintenance	48.7	72.1	23.4	1.8%
Fuels	109.3	150.9	41.6	3.3%
Power Purchases	27.1	49.4	22.3	1.7%
Depreciation	20.6	43.2	22.6	1.8%
Return on Debt	70.3	61.1	(9.2)	-0.7%
Return on Equity	6.4	23.2	16.9	1.3%
Rural Deficit	36.3	59.5	23.2	1.8%
Other	0.4	2.3	1.9	0.2%
Total Revenue Requirement ²	319.1	461.7	142.6	11.2%

Notes:

¹ Amounts shown for Newfoundland Power (NP) are derived from the 2007 and 2015 COS and calculated using NP's cost sharing ratios applied to the Island Interconnected COS.

² The base rate increase of 11.2% for NP is calculated using 2015 billing determinants and 2015 existing and proposed rates as follows:

	Revenues at Existing Rates	Revenues at Proposed Rates	Variance (\$)	Variance (\$)
Revenues	415.3	461.7	46.4	11.2%