

1 Q. **Volume I, Tab H: Capital Expenditures 2009 – 2018:** The actual Capital
2 Expenditures for the past four years have ranged from \$54.15 million in 2009 to
3 \$77.25 million in 2012. The forecast Capital Expenditures for the period from 2013
4 to 2018 are set out as follows:

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$115,702	\$151,449	\$209,008	\$164,201	\$144,555	\$140,441

7 Using the same base information provided in RFI PUB-NLH-34 and averaging the
8 capital expenditures forecast for 2013 to 2018 to provide a constant Capital Budget
9 for each of those years, please calculate the impact on the revenue requirement for
10 each of those years that can be attributed directly to the forecast capital
11 expenditures for that year.

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14 A. The Table below provides the *pro forma* revenue requirement impacts for 2013 to
15 2018 that can be directly attributable to the average of the forecast capital
16 expenditures for that period. Please refer to PUB-NLH-36 Attachment 1 for the
17 supporting calculations.

Table 1
***Pro Forma* Revenue Requirement**
2013-2018
(\$000's)

Year	Revenue Requirement
2013	8,953
2014	24,556
2015	38,579
2016	51,742
2017	63,157
2018	84,546

Newfoundland and Labrador Hydro
2014 Capital Budget Application
PUB-NLH-36 Back up calculations (\$000's)

PUB-NLH-36
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NLH 2014 CBA

Line No	A	B	C	D	E	F		
	Total	2013	2014	2015	2016	2017	2018	Comments
1 Forecast Capital Expenditures	925,356	154,226	154,226	154,226	154,226	154,226	154,226	2014 CBA, Volume 1, Tab H
2 Transmission line corridor - In service date 2018			(6,371)	(74,626)	(62,602)	(60,759)	204,358	
3 Gas Turbine Holyrood - In service date 2015			(46,410)	46,410				
4 Net Plant in Service Available for Equity Return	925,356	154,226	101,445	126,010	91,624	93,467	358,584	
5 Annual Depreciation Expense Estimate		6,070	6,070	6,070	6,070	6,070	6,070	
6 Current year Depreciation Expense Estimate		3,035	9,105	15,175	21,245	27,315	33,385	Line 5 from prior years plus one-half Line 5 for current year
7 Net Book Value for Forecast Capital Expenditures		151,191	92,340	110,835	70,379	66,152	325,199	Line 4 - Line 6
8 Average Change to Rate Base		75,595	197,361	298,948	389,555	457,821	653,496	Line 7 from prior years plus one-half Line 7 for current year
9 Return on Rate Base - Debt Component		5.618%	5.618%	5.618%	5.618%	5.618%	5.618%	2013 Test Year
10 Return on Rate Base - Equity Component		2.211%	2.211%	2.211%	2.211%	2.211%	2.211%	2013 Test Year
Revenue Requirement Impacts								
11 Return on Debt	116,448	4,247	11,088	16,795	21,885	25,720	36,713	Line 8 x Line 9
12 Return on Equity	45,825	1,671	4,363	6,609	8,612	10,122	14,448	Line 8 x Line 10
13 Annual Depreciation Expense Estimate	109,261	3,035	9,105	15,175	21,245	27,315	33,385	Line 6
14 Total Revenue Requirement Impacts	271,534	8,953	24,556	38,579	51,742	63,157	84,546	Lines 11 to 13