

1 **Section 5: Customer Rates**

2

3 **Q. (Section 5, page 5-4) If Newfoundland Power’s total energy sales were to be 100**
4 **GWh more than forecasts given in Table 5-3 for each of 2025 and 2026 then what**
5 **effect would that have on its revenue requirement from rates in those years? Please**
6 **illustrate by providing a revised Statements of Income as given in Exhibit 3, page 1**
7 **of 9.**

8

9 A. See Attachment A for the requested information.

Pro Forma Statements of Income

Newfoundland Power Inc.
Financial Performance
2022 to 2026E PF
Pro forma Statements of Income
(\$000s)

	Actual	Forecast ¹			
	2022	2023	2024E	<i>Pro Forma</i> ²	
				2025E PF	2026E PF
1 Revenue from rates	715,444	732,809	740,817	761,897	761,296
2 Transfers from the RSA	6,691	36,918	41,533	64,309	57,195
3 Excess Earnings Account	-	(5,094)	-	-	-
4	722,135	764,633	782,350	826,206	818,491
5					
6 Purchased power expense	479,373	517,940	522,821	554,251	552,309
7 Demand management incentive account adjustments	153	(1,000)	-	-	-
8	479,526	516,940	522,821	554,251	552,309
9					
10 Contribution	242,609	247,693	259,529	271,955	266,182
11					
12 Other revenue ³	6,120	7,422	10,026	11,019	11,646
13					
14 Other expenses:					
15 Operating expenses ⁴	68,869	73,473	78,775	81,394	84,156
16 Employee future benefit costs ⁵	7,652	2,763	3,010	8,122	1,812
17 Deferred cost recoveries and amortizations	(656)	(816)	(6,962)	492	492
18 Depreciation ⁶	70,662	74,869	79,557	83,143	86,691
19 Finance charges ⁷	34,790	37,313	41,607	42,240	43,427
20	181,317	187,602	195,987	215,391	216,578
21					
22 Income before income taxes	67,412	67,513	73,568	67,583	61,250
23 Income taxes ⁸	19,498	20,020	22,399	20,588	18,558
24					
25 Earnings applicable to common shares ⁹	47,914	47,493	51,169	46,995	42,692

¹ The 2024 through 2026 forecasts include the impact of the proposals in the *2024 Rate of Return on Rate Base Application* filed with the Board on November 23, 2023 with the *pro forma* impacts of 100 GWh of sales in 2025 and 2026 adjustment, as requested.

² Shown with the impact of an additional 100 GWh of sales, compared to the forecasts given in Table 5-3, in each of 2025 and 2026. Does not include the impact related to finance charges.

³ Shown after reclassification of other contract costs and equity portion of AFUDC.

⁴ Shown after adjustment for non-regulated expenses and reclassification of other contract costs and current portion of employee future benefit costs.

⁵ Shown after reclassification of current portion of employee future benefit costs.

⁶ Shown after reclassification of tax on cost of removal.

⁷ Shown after reclassification of equity portion of AFUDC.

⁸ Shown after adjustment for non-regulated expenses and reclassification of tax on cost of removal.