

1 Q. **NLH Evidence, Schedule 4-III – Return on Rate Base (Existing Rates)**

2 Please provide a similar schedule for the Labrador Interconnected System only.

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5 A. The requested information is not available. Schedule 4-III provides Hydro's Return on
6 Rate Base under existing rates. Schedule 4-III is not allocated by system, but
7 indicates that in total, existing rates do not allow Hydro to recover its forecast costs
8 and earn a reasonable return.¹ Based on this information, Hydro prepares a revised
9 revenue requirement, as filed in Schedule 4-I, and performs a Cost of Service Study
10 to allocate the forecast revenue requirement by each system and customer class.

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12 Please refer to Hydro's response to LAB-NLH-014 for the revenue requirement
13 allocated to the Labrador Interconnected System.

¹ In Board Order No. P.U. 22(2017), the Board approved a rate of return on average rate base of 6.61% in the range of 6.41% to 6.81%.