

- 1 Q. **Volume 1 (1st Revision), Chapter 3: Operations**
- 2 Please provide a cost breakdown of the Rural Deficit for the approved 2015 test
- 3 year, 2015 and 2016 actuals, 2017 forecast, and 2018 and 2019 test years in a
- 4 format similar to Table 1 of Hydro's Rural Deficit Annual Report dated August 3,
- 5 2017. (Volume I (1st Revision), Chapter 3, Operations, Page 3.31, Lines 20-25)
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- 8 A. Please refer to Table 1 for the cost breakdown of the Rural Deficit for the approved
- 9 2015 test year, estimates for 2015 and 2016¹, and 2018 and 2019 test years. Hydro
- 10 has not completed a 2017 forecast Cost of Service Study which is required to derive
- 11 the Rural Deficit, therefore this information is not available.

Table 1 Hydro Rural Deficit (\$ millions)

	Annual Amounts					Year over Year			
	2015TY	2015	2016	2018TY	2019TY	2015/ 2015TY	2016/ 2015	2018TY/ 2016	2019TY/ 2018TY
Revenues	61.7	63.7	59.8	67.1	68.2	2.0	(3.9)	7.3	1.0
Costs									
Operating Expenses	46.4	52.3	43.8	47.3	48.2	5.9	(8.5)	3.5	0.9
Fuel	28.3	26.8	26.8	34.5	36.0	(1.5)	-	7.7	1.4
Purchased Power	7.3	7.3	7.3	8.0	8.6	-	-	0.7	0.6
Depreciation	14.2	14.2	14.2	19.6	21.7	(0.0)	0.0	5.4	2.1
Return	24.8	24.8	25.1	25.2	26.3	(0.0)	0.3	0.0	1.1
Total	121.1	125.4	117.2	134.6	140.8	4.3	(8.2)	17.4	6.2
Rural Deficit	59.4	61.7	57.4	67.5	72.6	2.2	(4.3)	10.1	5.2

¹ On August 3, 2017, Hydro filed an amended 2015 Rural Deficit Report and a 2016 Rural Deficit Report using estimates based on Cost of Service Studies filed as part of its May 18, 2017 GRA Compliance Application.