

1 Q. Further to response to Request for Information NP-NLH-093:

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3 Please provide a comparison of actual YTD 2017 results to forecast 2017 data
4 provided in Schedules 4-I through 4-V of Chapter 4: Finance (3rd Revision).

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7 A. NP-NLH-203, Attachment 1 provides a comparison of actual YTD 2017 results to
8 forecast 2017 provided in Schedule 4-I. In addition, Hydro has also provided a
9 comparable updated 2017 forecast using YTD 2017 actual results, including rate of
10 return on rate base.

11

12 Completing Schedules 4-II through 4-V based on actual YTD results would not
13 provide comparable results to the forecast provided in the 2017 General Rate
14 Application due to the timing differences that exist between the annual forecast
15 and YTD actuals. Return on rate base, for example, would not be comparable to
16 forecast since the majority of capital projects are closed out in the fourth quarter.

**Newfoundland and Labrador Hydro
Financial Results and Forecasts
Revenue Requirement Analysis
(\$000s)**

	<u>Forecast (as filed)</u> 2017	<u>YTD Sept. Actual</u> 2017	<u>Forecast (Actuals to September)</u> 2017	<u>Variance from Forecast (as filed) to Forecast (Actuals to September)</u>
1 Revenue requirement				
2 Energy sales	556,551	405,745	562,064	5,513
3 Generation Demand Cost Recovery	1,213	948	1,264	51
4 Fuel Rider	-	-	-	-
5 Total	<u>557,764</u>	<u>406,693</u>	<u>563,328</u>	<u>5,564</u>
6				
7 Expenses				
8 Operating expenses	134,341	98,167	134,363	22
9 Other Income and expense ¹	4,360	(3,067)	3,192	(1,168)
10 Fuels	179,623	119,364	184,274	4,651
11 Power Purchases	64,275	46,864	63,496	(779)
12 Amortization	76,028	55,474	76,543	515
13 Accretion of asset retirement obligation	189	99	146	(43)
14	<u>458,816</u>	<u>316,901</u>	<u>462,014</u>	<u>3,198</u>
15 Other Adjustments:				
16 CIAC Revenue	(1,847)	(1,328)	(1,848)	(1)
17 Other revenue	(2,068)	(2,093)	(2,681)	(613)
18 Compliance Adjustments ²	-	5,478	5,478	5,478
19 Cost of service exclusions ³	(1,315)	(986)	(1,315)	-
20	<u>453,586</u>	<u>317,972</u>	<u>461,648</u>	<u>8,062</u>
21				
22 Return on rate base	<u>104,178</u>	<u>88,721</u>	<u>101,680</u>	<u>(2,498)</u>
23				
24 Average rate base ⁴	<u>2,075,503</u>	<u>2,075,503</u>	<u>2,075,503</u>	<u>-</u>
25				
26 Rate of return on rate base	<u>5.02%</u>	<u>4.27%</u>	<u>4.90%</u>	<u>-0.12%</u>

¹ YTD September actuals is lower than forecast primarily due to forecast asset disposal costs being recognized in the fourth quarter.

² Adjustments in accordance with the Board's ruling on Hydro's amended GRA in order No.P.U.22 (2017). These adjustments are reflected in the year of origin for the calculation of regulated returns.

³ Depreciation on assets excluded from rate base. Assumed consistent with the original filing.

⁴ Average rate base assumed to remain unchanged from filing.