

1 Q. Please provide a representative list of current components and dollar values for
2 Hydro's rate base (pre-existing if available).

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5 A. Please refer to PUB-Nalcor-197, Attachment 1 for a listing for the current
6 components and dollar values for Hydro's rate base from the 2017 General Rate
7 Application.¹

¹ 2017 General Rate Application, Additional Information – April 13, 2018, page 46 of 118, Schedule 4-II, Page 5 of 9.

**Newfoundland and Labrador Hydro
Financial Results and Forecasts (Proposed Rates)
Rate of Return (\$'000s)**

	Test Year 2015	Actual 2015	Actual 2016	Forecast 2017	Actual 2017	Test Year 2018	Test Year 2019
1 Property, plant, and equipment	1,908,342	1,689,805	1,820,573	2,113,913	2,067,800	2,230,663	2,286,878
2 add: accumulated depreciation	204,001	168,306	233,720	308,582	308,470	389,021	476,625
3 less: work in progress ¹	(240,977)	(29,171)	(89,698)	(71,760)	(33,557)	(51,306)	(30,488)
4 Capital assets in service	1,871,366	1,828,940	1,964,595	2,350,735	2,342,713	2,568,379	2,733,014
5 less: asset retirement obligation	(12,169)	(14,381)	465	79	789	(307)	(693)
6 add: contributions in aid of construction ¹	(18,660)	(18,255)	(32,173)	(33,466)	(32,477)	(32,593)	(31,324)
7 less: accumulated depreciation	(204,001)	(168,306)	(233,720)	(308,582)	(308,470)	(389,021)	(476,625)
8 Capital assets - current year	1,636,536	1,627,998	1,699,166	2,008,765	2,002,555	2,146,457	2,224,372
9 Capital assets - previous year	1,610,437	1,468,388	1,627,998	1,699,166	1,699,166	2,008,765	2,146,457
10 Unadjusted capital assets - average	1,623,486	1,548,193	1,663,582	1,853,966	1,850,861	2,077,611	2,185,414
11 less: Average net assets excluded from rate base	(10,634)	(10,732)	(16,676)	(16,246)	(21,141)	(8,820)	(6,415)
12 Capital assets - average	1,612,852	1,537,461	1,646,906	1,837,720	1,829,720	2,068,791	2,178,999
13							
14 Working capital allowance	7,037	6,995	5,304	7,582	6,405	2,772	2,255
15 Fuel	47,398	44,052	35,473	67,287	43,617	76,472	74,369
16 Materials and supplies	27,402	29,279	32,146	33,135	34,719	33,034	32,884
17 Deferred charges ^{2, 6}	90,665	129,456	166,454	129,780	65,287	82,041	75,958
18							
19 Average rate base	1,785,353	1,747,243	1,886,283	2,075,503	1,979,748	2,263,109	2,364,465
20							
21 Net Income ³	27,364	(656)	28,231	29,382	35,919	31,013	33,991
22 add: Cost of service exclusions:							
23 Depreciation on Assets Excluded from Rate Base	1,177	1,303	1,919	1,315	1,941	1,644	1,439
24 Interest cost of Service Exclusions ⁴	-	2,752	2,584	2,374	2,374	3,680	4,127
25 Net Interest ⁵	89,453	94,059	95,294	71,107	73,270	93,295	94,863
26 Return on rate base	117,994	97,458	128,028	104,178	113,504	129,631	134,420
27							
28 Rate of return on rate base	6.61%	5.58%	6.79%	5.02%	5.73%	5.73%	5.68%

¹ Contributions for assets that are still under construction have been included in work in progress and excluded from contributions in aid of construction.

² Refer to Schedule 4 - V.

³ Net Income has been updated for compliance adjustments. Refer to Schedule 4 - II, Page 1.

⁴ Interest exclusions are primarily the disallowed portion of the debt guarantee fee.

⁵ Refer to Schedule 4 - II, Page 8.

⁶ The decrease in the 2017 Deferred charges in comparison to the 2017 forecast is due to the exclusion of the supply and cost deferrals in 2017 Actuals. In P. U. 39(2017) the Board indicated the Supply Cost Deferrals noting the GRA may be the most convenient forum to address issues related to recovery. Annual Returns for years 2014 - 2017 will be refiled when issues related to recovery are addressed in a future Board Order. Upon the refile, the deferred charges balance for 2017 actuals is expected to be \$155.3 million.