

1 Q. Reference: ECDM Application (1st Revision), Schedule 1, page 6, lines 11-23 and Appendix A.

2 Please complete the following table to demonstrate the impact that recording 2021 EV
 3 infrastructure capital costs of \$724,300 to a plant account would have on Hydro’s 2021 and
 4 2022 forecast regulated rate base and revenue requirement. Please indicate the service life
 5 assumed for the EV infrastructure to complete the requested scenario.

EV Infrastructure Costs Recorded to a Plant Account Impact on Regulated Rate Base and Revenue Requirement 2021 and 2022 Forecast		
	2021F	2022F
Average Rate Base		
Opening Rate Base (A)		
Additions (B)		
Accumulated Depreciation (C)		
Closing Rate Base (D=A+B-C)		
Average Rate Base (E=(A+D)/2)		
Revenue Requirement		
Depreciation Expense (F)		
Return on Rate Base (G)		
Revenue Requirement (H=F+G)		

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8 A. Please refer to Table 1 which assumes that Newfoundland and Labrador Hydro (“Hydro”) had
 9 included the costs in property, plant and equipment rather than deferred charges for revenue
 10 requirement purposes. Please refer to Hydro’s response to NP-NLH-002 for the calculation of
 11 revenue requirement which assumes the costs were included in deferred charges. The
 12 differences between the methods are primarily driven by the amortization periods and the
 13 timing of the commencement of the amortization. For purposes of recording property, plant and
 14 equipment, the estimated useful life is primarily expected to be ten years; whereas Hydro has
 15 proposed that the useful life of the Electrification, Conservation and Demand Management
 16 regulatory deferral is seven years.

**Table 1: EV Infrastructure Costs Recorded to a Plant Account
 Impact on Regulated Rate Base and Revenue Requirement
 2021 and 2022 Forecast
 (\$000)**

	2021F	2022F
Average Rate Base		
Opening Rate Base (A)	-	640.4
Additions (B)	645.8	78.5
Amortization (C)	(5.4)	(65.2)
Closing Rate Base (D=A+B-C)	640.4	653.7
Average Rate Base (E=(A+D)/2)	320.2	647.1
Revenue Requirement		
Amortization Expense (F)	5.4	65.2
Return on Rate Base (G)	17.4	35.1
Revenue Requirement (H=F+G)	22.8	100.3