

- 1 **Q.** (Reference Newfoundland Power 2022/2023 General Rate Application, page 1-9, lines
 2 1 to 4) It is stated “*The second change relates to variations in Newfoundland Power’s*
 3 *costs since its last general rate application. This includes the cost of continued*
 4 *investment in the electrical system, increased operating costs and the effects of*
 5 *amortizations proposed in this Application. The net result of these changes is a 2.0%*
 6 *increase in the revenue required from customer rates.*”
 7
 8 a) Please provide a breakdown of the cost increases in each category: investment,
 9 operating costs, and amortizations.
 10 b) Please provide the impact that the capital budget applications since the last GRA
 11 have had on the costs of investment, operations, and amortizations, identifying
 12 both cost increases and decreases.
 13
 14 A. a) Table 1 provides a breakdown of the changes in Newfoundland Power’s costs since
 15 its last general rate application (“GRA”).¹

Table 1
Breakdown of Cost Changes since last GRA
 (%)

	Change
Continued Investment	1.4%
Operating Costs ²	0.3%
GRA Proposals – Amortizations	0.3%
Total	2.0%

- 16 b) The relationship between Newfoundland Power’s capital expenditures and its revenue
 17 requirements is not a direct one.³ As a result, the Company cannot provide the data as
 18 requested.
 19
 20 See response to Request for Information NLH-NP-036 for further information.

¹ Newfoundland Power’s last GRA was filed on June 1, 2018 and included 2019 and 2020 test years.

² Includes employee future benefit costs and other revenue requirement items, primarily interest on the Company’s rate stabilization account.

³ See the 2022 Capital Budget Application, 2022 Capital Plan, Section 2.3 Capital Investment and Customer Costs, for a fulsome discussion on the relationship between the Company’s capital investments, revenue requirements and customer rates.