

- 1 Q. **Reference: Schedule 1 – Evidence, Appendix B, page 3, Footnote 2**
- 2 Please provide the calculations supporting the estimated reduction in 2018 test
- 3 year revenue requirement of \$16.8 million resulting from the 2017 GRA Settlement
- 4 Agreement.
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- 6
- 7 A. Please refer to NP-NLH-296, Attachment 1 for the detailed estimated 2018 Test
- 8 Year revenue requirement impact resulting from the 2017 GRA Settlement
- 9 Agreement.<sup>1</sup>

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<sup>1</sup> Hydro has used the Expected Supply Scenario in preparing NP-NLH-296, Attachment 1. However, given the cost reductions primarily relate to operating costs, depreciation costs and interest costs, the scenario used in the response will not materially impact the breakdown.

**Newfoundland and Labrador Hydro  
2018 Expected Supply Cost Scenario  
Total System Revenue Requirement**

Line No.	1 Description	2 Filed 3/22/2018 (\$)	3 Including Settlement Adjustments (\$)	4 Settlement Adjustments (\$)	5 Notes
	Revenue Requirement				
	<b>Expenses</b>				
1	Operating, Maintenance and Admin.	142,377,352	138,337,352	(4,040,000)	1
2	Fuels - No. 6 Fuel	123,238,036	123,238,036	-	
3	Fuels - Diesel	16,138,785	16,138,785	-	
4	Fuels - Gas Turbine	9,725,710	9,725,710	-	
5	Fuel Supply Deferral	-	-	-	
6	Power Purchases -CF(L)Co	1,428,941	1,428,941	-	
7	Power Purchases - Other	63,615,358	63,615,358	-	
8	Power Purchases - MF	-	-	-	
8	Power Purchases - LIL & LTA Costs	27,300,000	27,300,000	-	
9	Power Purchases - Off Island	10,112,299	10,112,299	-	
10	Depreciation	87,014,711	75,077,670	(11,937,041)	
	<b>Expense Credits:</b>				
11	Sundry	(456,000)	(456,000)	-	
12	Building Rental Income	(15,600)	(15,600)	-	
13	Tax Refunds	-	-	-	
14	Suppliers' Discounts	(39,600)	(39,600)	-	
15	Pole Attachments	(1,578,275)	(1,578,275)	-	
16	Wheeling Revenues	-	-	-	
17	Application Fees	(24,680)	(24,680)	-	
18	Meter Test Revenues	-	-	-	
19	<b>Total Expense Credits</b>	<b>(2,114,155)</b>	<b>(2,114,155)</b>	<b>-</b>	
20	<b>Subtotal Expenses</b>	<b>478,837,038</b>	<b>462,859,997</b>	<b>(15,977,041)</b>	
21	Disposal Gain/Loss	-	-	-	
22	<b>Subtotal Rev Req Excl Return</b>	<b>478,837,038</b>	<b>462,859,997</b>	<b>(15,977,041)</b>	
23	Return on Debt	93,040,338	92,133,601	(906,737)	2
24	Return on Equity	35,344,474	35,410,669	66,195	2
25	<b>Total Revenue Requirement</b>	<b>607,221,850</b>	<b>590,404,268</b>	<b>(16,817,583)</b>	

1 Includes \$1.5 million vacancy allowance adjustment, and \$2.54 million Business Transformation Project adjustment.

2 Includes the \$567,000 adjustment debt guarantee fee, the \$515,000 adjustment for reduced interest costs and an adjusted WACC of 5.66% resulting from the adjustments above.