

- 1 **Q. Reference: (2024 Rate of Return on Rate Base, page 5 of 8)**
2
3 **It is stated “The revised 2023 test year revenue requirement is \$11.8 million higher**
4 **than the amount used to set existing customer rates as a result of the revisions required**
5 **to reflect Newfoundland Power’s 2024 forecast average rate base and rate of return on**
6 **rate base.” How much of this relates to the change in rate base and how much**
7 **relates to the change in the cost of debt?**
8
9 **A.** Table 1 provides an estimated breakdown of the \$11.8 million additional revenue
10 requirement resulting from changes in Newfoundland Power’s 2024 forecast cost of debt
11 and its 2024 average rate base.

**Table 1:
Estimated Breakdown of Revenue Requirement
(\$millions)**

	Amount
Forecast Cost of Debt	4.7
Forecast Average Rate Base	7.1
Total	11.8