

1 Q. **2013 General Rate Application, Finance**

2 What is the impact on the 2013 revenue requirement if all rural assets are excluded
3 from rate base, assuming a return on equity of 8.80%?

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6 A. Please see PUB-NLH-055 Attachment 1¹.

¹ Assumes rural assets to be excluded does not include Labrador Interconnected assets.

Newfoundland and Labrador Hydro
2013 Test Year Cost of Service
Analysis of Changes

| Line No. | Description | Total Revenue Requirement | | |
|-------------|---------------------------------------|---------------------------|---|------------------------|
| | | 2013 Test Year | 2013 No return on rural assets ROE 8.8% | Increase (Decrease) |
| | Revenue Requirement | | | |
| | Expenses | | | |
| 1 | Operating, Maintenance and Admin. | 115,928,303 | 115,928,303 | - |
| 2 | Fuels - No. 6 Fuel | 200,692,615 | 200,692,615 | - |
| 3 | Fuels - Diesel | 17,978,931 | 17,978,931 | - |
| 4 | Fuels - Gas Turbine | 802,435 | 802,435 | - |
| 5 | Power Purchases -CF(L)Co | 2,363,382 | 2,363,382 | - |
| 6 | Power Purchases - Other | 56,310,580 | 56,310,580 | - |
| 7 | Depreciation | 52,366,908 | 52,366,908 | - |
| | Expense Credits: | | | |
| 8 | Sundry | (632,669) | (632,669) | - |
| 9 | Building Rental Income | (15,744) | (15,744) | - |
| 10 | Tax Refunds | - | - | - |
| 11 | Suppliers' Discounts | (100,257) | (100,257) | - |
| 12 | Pole Attachments | (1,594,680) | (1,594,680) | - |
| 13 | Secondary Energy Revenues | - | - | - |
| 14 | Wheeling Revenues | - | - | - |
| 15 | Application Fees | (26,868) | (26,868) | - |
| 16 | Meter Test Revenues | (6,720) | (6,720) | - |
| 17 | Total Expense Credits | (2,376,938) | (2,376,938) | - |
| 18 | Subtotal Expenses | 444,066,215 | 444,066,215 | - |
| 19 | Disposal Gain/Loss | 1,303,697 | 1,303,697 | - |
| 20 | Subtotal Rev Req't Excl Return | 445,369,912 | 445,369,912 | - |
| 21 | Return on Debt | 87,868,604 | 87,868,604 | - |
| 22 | Return on Equity | 34,579,153 | 29,012,811 | (5,566,342) |
| 23 | Total Revenue Requirement | 567,817,669 | 562,251,327 | (5,566,342) |