

1 Q. **Reference: Response to CA-NLH-096, part c**

2 CA-NLH-096, part c, states that the disallowed debt guarantee fees are excluded and restates
3 Table 5-11 without changing the \$136.7 million return on rate base. Please reconcile the original
4 and restated calculations, showing how the \$8.792 million exclusion is treated in net interest,
5 net income, return on rate base and total revenue requirement. Demonstrate whether any
6 portion is recovered from ratepayers and explain the basis for any such recovery.

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9 A. The \$8.792 million is excluded from the revenue requirement and not recovered from
10 ratepayers. Please refer to CA-NLH-271, Attachment 1 for supporting reconciliation.

	2027 Test Year	Depreciation Exclusion	Interest Exclusion	Amort. of FX Reclass	Total	
Revenue						
Energy Sales	730,003				730,003	
Export Revenue	64,818				64,818	
Transmission Tariff Revenue	18,338				18,338	
Rate Mitigation	501,964				501,964	
Revenue Deficiency	66,189				66,189	
Generation Demand Cost Recovery	1,522				1,522	
Contribution in Aid of Construction Revenue	2,347				2,347	
Other Revenue	3,403				3,403	
Total Revenue	1,388,583	-	-	-	1,388,583	
Expenses						
Operating Costs	156,362				156,362	
Other Income and Expense	-				-	
Amortization of Foreign Exchange Losses	2,157			(2,157)	(0)	
Fuels	106,311				106,311	
Power Purchases	847,275				847,275	
Power Purchases - Export Costs	24,640				24,640	
Depreciation	116,568	(397)			116,171	
Accretion of Asset Retirement Obligation	1,097				1,097	
Interest ⁴	79,137		(8,792)	2,157	72,502	Note 1
Total Expenses	1,333,547	(397)	(8,792)	-	1,324,358	
Net Income (Loss)	55,035	397	8,792	-	64,224	Note 2
Net Interest					72,502	Note 1
Return on Rate Base					136,727	

Note 1: The Interest (net of debt guarantee fee exclusion) agrees to the Net Interest balance in the Restated Table 5-11 in Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-096 of this proceeding.

Note 2: Net Income (net of debt guarantee fee and depreciation exclusion) agrees to the Net Interest balance in the Restated Table 5-11 in Hydro's response to CA-NLH-096 of this proceeding.