CCC Interrogatory #23

Interrogatory

Reference: Exhibit B1/T1/S 2/ p. 3

The proposed cash working capital amount calculated based on the results of the Navigant Study of ($37.8M) is lower than the average amount of $17.2M reflected in the previous four nuclear payment amounts applications.

a) Please explain the driver(s) of the proposed negative working capital amount for the test year, relative to the average positive working capital amount in the previous four nuclear payment amounts applications.

Response

a) The decrease in the proposed cash working capital amount relative to the previous payment amounts applications is driven primarily by an increase in HST lead days from 38.1 days[1] to 43.21 days,[2] and higher amount of HST collected on generation revenues. The HST lead days of 43.21 days are per the Navigant Study (Ex. B1-1-2, Attachment 1, p. 11). The higher HST collections reflect higher nuclear generation revenues in 2019, the year used as the basis for cash working capital calculations for revenue requirement purposes in this application.

[1] EB-2007-0905, Ex. B4-1-1, p. 11.
[2] Ex. B1-1-2, p. 5.