

NEWFOUNDLAND AND LABRADOR HYDRO

Cost Analysis for Labrador City Derivation of Ratios

<u>Line</u>	<u>Ratio #</u>	<u>Description</u>				
	#1	Sales - MWh	<u>2000*</u>		<u>2002</u>	
1		Wabush	57,700.0		56,364.6	
2		Lab City	200,200.0		199,835.0	
3		Ratio (ln 3 / ln 1)	3.470		3.545	
			(Budgell Sch. II)		(NP-138)	
			*Includes distribution losses			
	#2	Customers	<u>2002</u>			
4		Wabush	1,147.0			
5		Lab City	3,696.0			
6		Ratio (ln 5 / ln 4)	3.222			
			(NP-138)			
	#3	Distribution plant				
7		Wabush	\$3,075.2			
8		Lab City	\$5,436.5			
9		Ratio (ln 8 / ln 7)	1.768			
			(LC-8)			
	#4	Depreciated distribution plant				
10		Wabush	\$3,075.2	0.500	\$1,537.60	(Depreciated since 1985)
11		Lab City	\$5,436.5	0.733	\$3,986.77	(Depreciated since 1992)
12		Ratio (ln 11 / ln 10)			2.593	
	#5	Combined sales, customer and plant ratio				
13		Sales	3.470	0.40	1.388	
14		Customers	3.222	0.35	1.128	
15		Plant	1.768	0.25	0.442	
16		Weighted average			<u>2.958</u>	

Weighting based on relationship of direct and overhead expenses.