

NEWFOUNDLAND AND LABRADOR HYDRO REVENUE REQUIREMENT (\$thousands)							
Line No.	Description	2001			2002		
		As Filed (b)	Revised (c)	Increase (Decrease) (d)	As Filed (e)	Revised (f)	Increase (Decrease) (g)
1							
2							
3	Depreciation	32,738	32,557	(181) ⁽¹⁾	31,790	31,665	(125) ⁽¹⁰⁾
4							
5	Fuel						
6	No. 6 Fuel	103,802	110,360	6,558 ⁽²⁾	100,585	104,175	3,590 ⁽¹⁹⁾
7	Additives & Indirects	180	188	8	185	178	(7)
8	Environmental fee	19	18	(1)	102	124	22
9	Ignition Fuel	127	144	17	112	123	11
10	Gas Turbine Fuel	364	171	(193) ⁽³⁾	471	446	(25)
11	Diesel Fuel	6,678	7,564	886 ⁽⁴⁾	6,323	6,808	485 ⁽²⁰⁾
12	Rate Stabilization Plan	(59,719)	(63,498)	(3,779) ⁽⁵⁾	(25,490)	(26,819)	(1,329) ⁽¹¹⁾
13	TOTAL FUEL	<u>51,451</u>	<u>54,947</u>	<u>3,496</u>	<u>82,288</u>	<u>85,035</u>	<u>2,747</u>
14							
15	Power Purchased	15,333	15,795	462 ⁽⁶⁾	15,266	15,100	(166) ⁽¹²⁾
16							
17	Other Costs						
18	Salaries and Fringe Benefits	60,272	61,941	1,669 ⁽⁷⁾	61,773	62,426	653 ⁽¹³⁾
19	System Equipment Maintenance	17,484	17,769	285 ⁽⁸⁾	16,763	16,763	0
20	Insurance	849	945	96 ⁽⁹⁾	848	977	129 ⁽¹⁴⁾
21	Transportation	2,174	1,857	(317) ⁽¹⁰⁾	1,923	1,923	0
22	Office Supplies Expenses	1,943	1,939	(4)	1,939	1,939	0
23	Building Rentals and Maintenance	612	643	31	626	626	0
24	Professional Services	4,506	5,636	1,130 ⁽¹¹⁾	4,340	5,340	1,000 ⁽¹⁵⁾
25	Travel Expenses	2,295	2,575	280 ⁽¹²⁾	2,375	2,375	0
26	Equipment Rentals	1,488	1,488	0	1,558	1,558	0
27	Miscellaneous Expenses	4,970	5,858	888 ⁽¹³⁾	4,458	4,458	0
28	Loss on Disposal of Fixed Assets	1,175	941	(234) ⁽¹⁴⁾	791	890	99 ⁽¹⁶⁾
29							
30	SUB-TOTAL	<u>97,768</u>	<u>101,592</u>	<u>3,824</u>	<u>97,394</u>	<u>99,275</u>	<u>1,881</u>
31							
32	Allocations						
33	Rate Hearing Cost Deferral		(2,000)	(2,000) ⁽¹⁵⁾			
34	Hydro Capitalized Expense	(5,658)	(6,619)	(961) ⁽¹⁶⁾	(5,722)	(5,722)	0
35	CF(L)Co	(1,906)	(1,923)	(17)	(1,910)	(1,910)	0
36	SUB-TOTAL	<u>(7,564)</u>	<u>(10,542)</u>	<u>(2,978)</u>	<u>(7,632)</u>	<u>(7,632)</u>	<u>0</u>
37							
38	Total Other Costs	90,204	91,050	846	89,762	91,643	1,881
39	Interest	92,558	92,756	198 ⁽¹⁷⁾	93,584	91,821	(1,763) ⁽¹⁷⁾
40	Margin/Return on Equity	13,727	11,316	(2,411)	9,610	7,997	(1,613)
41	Revenue Requirement	<u>296,011</u>	<u>298,421</u>	<u>2,410</u>	<u>322,300</u>	<u>323,261</u>	<u>961</u>

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(\$thousands)

- 1 1. Decrease is due to a reduction in the value of capital assets coming in service
2 and later in-service dates on some projects.
3
- 4 2. Increase primarily due to lower hydraulic production anticipated this Fall as a
5 result of current low reservoir storage levels.
6
- 7 3. Lower than forecast requirements at all gas turbines.
8
- 9 4. The increase in 2001 can be attributed to higher market prices for diesel fuel
10 which prevailed during the winter of 2000/2001. The average annual cost of
11 diesel fuel is now projected as of August 31 for 2001 to be \$0.50 per litre
12 compared to the original forecast of \$0.44 per litre.
13
- 14 5. Increase in RSP component of the Fuel Section is mainly due to higher thermal
15 production (\$8,300) partially offset by reduced load (\$2,000) and the industrial
16 rate adjustment related to the rural deficit allocation (\$2,500) (see IC-242).
17
- 18 6. Increase primarily due to higher than expected NUGS production (\$594), higher
19 power purchase costs for the L'Anse au Loup System (\$163) and higher
20 Secondary Energy from Abitibi (\$103) partially offset by reduced requirements for
21 the Labrador Interconnected System (\$377).
22
- 23 7. Increase due to higher temporary wages mainly related to backfilling permanent
24 positions (\$872) and additional capital work (\$200), partially offset by lower
25 permanent salaries due to additional vacancies (\$433), higher overtime mainly
26 related to additional maintenance requirements (\$415), Rate Hearing (\$173), and
27 more capital work (\$72), revised employee future benefits (\$190), and higher
28 fringe benefits (\$180).
29
30 The increase related to capital for temporary wages and overtime is offset by
31 increased capital recoveries.
32
- 33 8. Increase due mainly to additional repairs at the Holyrood Thermal Plant (\$186),
34 additional maintenance items in the central region of TRO (\$186) partially offset
35 by reduced requirements in the Labrador Diesel System (\$75).
36
- 37 9. Original filing did not include the Provincial Insurance Tax.

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- 1 10. Based on year-to-date information, helicopter usage is below the original
2 estimate.
3
- 4 11. Increase mainly due to higher rate hearing costs (\$1,350), partially offset by
5 reduced requirements in the Production and TRO Divisions (\$220).
6
- 7 12. Additional costs related to Rate Hearing (\$75) and TRO for such things as
8 Reliability Centered Maintenance, Maintenance Work Practice Committee and
9 diesel unit failure in Mary's Harbour (\$194).
10
- 11 13. Increase primarily due to additional write-offs of inventory (\$688) and additional
12 staff training mainly related to Diesel Service Representatives (\$150).
13
- 14 14. Decrease is due to a reduction in quantities retired on TL240 and a delay in
15 retirements on TL227 to 2002.
16
- 17 15. Decision to defer Rate Hearing costs was made after the May filing.
18
- 19 16. Original forecast updated to reflect increased involvement of internal forces in the
20 Capital Program.
21
- 22 17. Increase is primarily due to correction of an error in the calculation of the Debt
23 Guarantee Fee (\$322), lower interest earned and Interest During Construction
24 (\$480), partially offset by slightly lower interest rates (\$618).
25
- 26 18. Decrease is due to a reduction in the value of capital assets coming in service
27 and later in-service dates on some projects.
28
- 29 19. Increase due to higher production for additional loads and a slightly higher fuel
30 cost per barrel.
31
- 32 20. Increase in the expected average annual price of diesel fuel from \$0.42 per litre
33 to \$0.45.
34
- 35 21. Increase in the RSP component of the Fuel Section is due to an increase in the
36 cost of fuel (\$800) and an increase in load from the original filing (\$500).

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- 1 22. Decrease mainly due to reduced requirements for the Labrador Interconnected
2 System.
3
- 4 23. Increase due to an increase in the interest component of the employee future
5 benefits (\$189), and an increase in group insurance costs (\$464).
6
- 7 24. Original filing did not include the Provincial Insurance Tax plus there was a small
8 increase in insurance premiums as a result of the July 1st renewal.
9
- 10 25. Increase represents the amortization of the 2001 Deferred Rate Hearing costs
11 over 2 years.
- 12 26. Increase is due to the retirements on TL227 being delayed from 2001 to 2002.
13
- 14 27. Decrease mainly due to lower interest rates (\$2,288) and higher interest earned
15 (\$278), offset by lower allowance for funds used during construction (\$321), and
16 correction of an error in the Debt Guarantee Fee (\$444).