

1 Q. (a) Reconcile the \$322,300,000 2002 forecast revenue requirement (JCR,  
 2 Schedule 1) with:

3  
 4 (i) the \$318,846,984 total revenue requirement, Column 2 (JAB-1,  
 5 page 1);

6 (ii) the \$319,925,000 total revenue for 2002 (JCR, Schedule IV);  
 7 and

8 (iii) the \$317,464,000 total revenue for 2002 (JCR, Schedule VI).  
 9

10 (b) Confirm the 2002 revenue requirement sought by Hydro in this  
 11 proceeding.

		(000's)
13	A. (a) (i) Forecast Revenue Requirement, JCR, Schedule 1	\$ 322,300
14	Cost of Service Adjustments	
15	Differences due to rounding of rates:	
16	Newfoundland Power	15
17	Island Industrials	10
18	Rural Labrador Interconnected	2
19	Miscellaneous revenue reclassified in the	
20	Cost of Service as expense credits	(1,051)
21	IOCC revenue adjustment	(2,375)
22	Forecast revenue requirement, JAB-1, page 1	\$ 318,847
23		
24	A. (a) (ii) Revenue requirement, JCR Schedule 1	\$ 322,300
25	less: IOCC revenue adjustment	(2,375)
26	Revenue, JCR Schedule IV, Revenue Lag	\$ 319,925

1		<u>(000's)</u>
2	A. (a) (iii) Revenue, JCR, Schedule IV, Revenue Lag	\$ 319,925
3	December 2002 revenue	(28,714)
4	December 2001 revenue	<u>26,253</u>
5	Revenue, JCR Schedule VI, HST Adjustment	\$ 317,464
6		
7	A. (b) The 2002 revenue requirement sought by Hydro in this proceeding is	
8	\$318,846,984 as per JAB-1, page 1, column 2.	

- 1 Q. Provide details of the revenue requirement using the format shown in JCR,  
2 Schedule I for each year from 1992 to 2002.  
3
- 4 A. Attached are details of the revenue requirement for each year from 1992 to  
5 2002.

1 Q. Provide details for each of the following expense forecasts for 2002 (JCR,  
2 Schedule I):

3

4 (a) salaries and fringe benefits;

5 (b) system equipment maintenance;

6 (c) insurance;

7 (d) transportation;

8 (e) office supplies;

9 (f) building rentals and maintenance;

10 (g) professional services;

11 (h) travel;

12 (i) equipment rentals;

13 (j) miscellaneous; and

14 (k) loss on disposal of fixed assets.

15

16 A. The attached schedules provide additional details on the expense forecast for  
17 2002.

(a) **Salaries & Fringe Benefits**

Permanent Salaries	\$	44,876,638.24	
Temporary Salaries	\$	5,293,516.01	
Overtime	\$	2,615,424.00	
Employee Future Benefits	\$	2,243,570.00	
Fees	\$	62,000.00	
Fringe Benefits	\$	6,359,483.20	
Labrador Travel Benefit	\$	106,180.00	
Group Insurance	\$	1,216,500.00	
Vacancy Adjustment	\$	(1,000,000.00)	
<b>Total</b>			\$ <u>61,773,311.45</u>

(b) **System Equipment Maintenance**

Maintenance Material	\$	15,598,809.00	
Tools & Operating Supplies	\$	483,270.00	
Lube, Chemicals & Gas	\$	471,500.00	
Freight	\$	209,500.00	
<b>Total</b>			\$ <u>16,763,079.00</u>

(c) **Insurance**

Boiler & Machinery	\$	545,900.00	
Primary Liability	\$	36,000.00	
Umbrella Liabilities	\$	46,200.00	
Aircraft Non Own	\$	5,000.00	
Automobile	\$	73,500.00	
Travel Accident	\$	6,900.00	
Safe Berth	\$	10,000.00	
Directors & Officers	\$	52,500.00	
Brokerage Fees	\$	62,500.00	
Deductible Losses	\$	10,000.00	
<b>Total</b>			\$ <u>848,500.00</u>

(d) **Transportation**

Aircraft Costs	\$	928,000.00	
Vehicle Fuel	\$	1,027,300.00	
Mobile Equipment Fuel	\$	56,600.00	
Capital Fleet	\$	(300,000.00)	
Vehicle Rental Costs	\$	180,618.00	
Vehicle Allowance	\$	30,600.00	
<b>Total</b>			\$ <u>1,923,118.00</u>

(e) **Office Supplies & Expenses**

Heat & Light	\$	576,700.00	
Telephone & Fax	\$	578,375.00	
Postage	\$	307,770.00	
Advertising	\$	132,225.00	
Books & Subscriptions	\$	80,720.00	
Memberships & Dues	\$	263,160.00	
<b>Total</b>			\$ <u>1,938,950.00</u>

(f) <b><u>Building Rentals &amp; Maintenance</u></b>		
Building Rentals	\$	193,520.00
Safety Equipment & Supplies	\$	432,910.00
<b>Total</b>		<u>\$ 626,430.00</u>
(g) <b><u>Professional Services</u></b>		
Consultants	\$	2,510,000.00
Audit	\$	40,749.96
Legal	\$	10,000.00
P U B Related Costs	\$	600,000.00
Software Acquisitions & Maintenance	\$	1,178,827.00
<b>Total</b>		<u>\$ 4,339,576.96</u>
(h) <b><u>Travel</u></b>		
Travel	\$	2,177,568.00
Capital Expense Travel (DWO)	\$	(108,640.00)
Conferences	\$	305,700.00
<b>Total</b>		<u>\$ 2,374,628.00</u>
(i) <b><u>Equipment Rentals</u></b>		
Equipment	\$	1,341,779.00
Computer	\$	202,292.00
Telecommunication	\$	14,400.00
<b>Total</b>		<u>\$ 1,558,471.00</u>
(j) <b><u>Miscellaneous Expenses</u></b>		
Training	\$	840,805.00
Diesel Fuel (Hydro)	\$	94,550.00
Contributions	\$	60,000.00
Energy Management	\$	45,000.00
Write-Offs	\$	594,000.00
Employee Expenses	\$	340,176.00
Taxes	\$	2,074,700.00
Sundry	\$	83,538.00
Customer costs	\$	325,000.00
<b>Total</b>		<u>\$ 4,457,769.00</u>
(k) <b><u>Loss on Disposal of Fixed Assets</u></b>		
Trash Racks at Upper Salmon	\$	304,000.00
Transmission Line Upgrading	\$	425,000.00
Other	\$	61,548.00
		<u>\$ 790,548.00</u>

- 1 Q. Provide the following:
- 2 (a) complete current organization chart for Hydro;
- 3 (b) 1992 organization chart in the same format as (a);
- 4 (c) copies of all organizational studies completed from 1992 to 2001; and
- 5 (d) a copy of Hydro's current code of accounts as filed with the Board
- 6 pursuant to section 58 of the *Public Utilities Act*.
- 7
- 8 A. (a) The complete current organizational chart for Hydro is attached.
- 9 (b) The 1992 organizational chart is attached.
- 10 (c) There have not been any organizational studies completed by or for
- 11 Hydro between 1992 and 2001.
- 12 (d) A copy of Hydro's current code of accounts as filed with the Board is
- 13 attached.

NEWFOUNDLAND LABRADOR HYDRO  
Code Of Accounts

NP-5(d)

	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1				
2	1000	X	Assets	
3				
4	1001	X	Fixed Assets	
5				
6	1005	X	Property Plant & Equipment	
7	1007		Hydraulic Gen SF	
8	1007	100	Hydraulic Gen SF CIAC	
9	1009		Hydraulic Gen SL	
10	1009	100	Hydraulic Gen SL CIAC	
11	1011		Thermal Generation	
12	1011	100	Thermal Gen CIAC	
13	1013		Gas Turbines	
14	1013	100	Gas Turbines CIAC	
15	1015		Diesel Generation	
16	1015	100	Diesel Generation CIAC	
17	1017		Transmission SF	
18	1017	100	Transmission SF CIAC	
19	1019		Transmission SL	
20	1019	100	Transmission SL CIAC	
21	1021		Sub-Stations SF	
22	1021	100	Sub-Stations SF CIAC	
23	1023		Sub-Station SL	
24	1023	100	Sub-Stations SL CIAC	
25	1025		Distribution	
26	1025	100	Distribution CIAC	
27	1027		Metering Equipment	
28	1027	100	Metering Equipment CIAC	
29	1028		Telecontrol	
30	1028	100	Telecontrol CIAC	
31	1029		General Plant	
32	1029	100	General Plant CIAC	
33	1031		ST Feas Studies	
34	1033		WIP - F/A Clearing	
35	1033	100	WIP - F/A Clearing - CIAC	
36	1045		Less Accumulate Depreciation	
37	1047		Acc Dep Hydraulic Gen SF	
38	1049		Acc Dep Hydraulic Gen SL	
39	1051		Acc Dep Thermal Generation	
40	1053		Acc Dep Gas Turbines	



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	Balance	Sheet	Accounts
Object Code	Subsidiary Code	Summary Account	Description
1			Acc Dep Diesel Generation
2			Acc Dep Transmission SF
3			Acc Dep Transmission SL
4			Acc Dep Sub-Stations SF
5			Acc Dep Sub-Stations SL
6			Acc Dep Distribution
7			Acc Dep Metering Equipment
8			Acc Dep Telecontrol
9			Acc Dep General Plant
10			Budgeted Acc Depreciation Current
11			Construction In Progress
12		X	Studies & Software
13			LT Feas Studies
14	1095		LT Feas Studies Cost
15	1095		LT Feas Studies CIAC
16	1095		LT Feas. Studies Amort.
17		X	Computer Software
18	1097		Computer Software Cost
19	1097		Computer Software CIAC
20	1097		Computer Software Amort.
21			Corporate Overhead Clearing
22			
23		X	Current Assets
24		X	Cash & Short Term Investment
25		X	Cash
26			Petty Cash Account
27		X	Bank Account
28	1310		Imprest
29	1310		Operating
30	1310		Payroll
31	1310		US Dollars
32	1310		Master Charge
33	1310		Miscellaneous Bank Charges
34	1310		Clearing
35	1340	X	Cash Equivalents
36	1340		Investments < 90 days
37	1340		Discounts < 90 Days
38	1350		Temporary Investments
39	1353		Discounts on Short Term Inv
40	1420	X	Coupon Accounts

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	Balance	Sheet	Accounts
Object Code	Subsidiary Code	Summary Account	Description
1	1421		Close Out Account-Old Coupon
2	1423		Close Out Account Contra-old
3			
4	1426		Current Coupon Account
5	1428		Current Coupon Account Contra
6			
7	1500	X	Accounts Receivable
8	1501	X	Power Billings
9	1501	1220	Hydro
10	1501	1221	Rural
11	1501	1223	Miscellaneous Rural
12	1501	1224	Advances
13	1501	1225	Unidentified Remittances
14	1501	1226	Cheques Returned By Bank
15	1501	1249	Rural Customers UCIS
16	1501	1252	Allowance For Doubtfull Accts
17	1521	X	Employees
18	1521	1188	PC Purchases
19	1521	1189	Miscellaneous Purchases
20	1521	1190	Permanent Travel
21	1521	1191	Temporary Travel
22	1521	1224	Advances
23	1535	X	Miscellaneous
24	1535	1250	BTU Adjustment
25	1535	1260	Unapplied Cash Receipts
26	1535	1261	Room and Board
27	1535	1263	Yearend
28	1535	1265	Accts For Collection
29	1535	1266	Clearing/Suspence
30	1535	1268	Treasury
31	1535	1269	A/R Reclassifications
32	1535	1270	Relocation Advances
33	1535	1480	Misc General
34	1536	X	Taxes
35	1536	1280	HST Input
36	1537		Interest Receivables
37	1600		Due From Affiliat/Intercompany
38	1600	0100	Due Fr affiliates Old Account
39	1650		Curr Port Rate Stabiliz Plan
40	1650	1251	RSP Recovery

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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	1700		X	Fuel And Supplies
2	1702		X	Diesel Fuel
3	1702	1101		Bishop's Falls
4	1702	1102		Holyrood
5	1702	1103		Happy Valley
6	1702	1105		Bay D'Espoir
7	1702	1107		St. Anthony
8	1702	1153		Hopedale
9	1702	1154		Francois
10	1702	1155		Ramea
11	1702	1156		Port Hope Simpson
12	1702	1157		Cartwright
13	1702	1158		Davis Inlet
14	1702	1159		Postville
15	1702	1160		Lanse Au Loup
16	1702	1161		Lapoile
17	1702	1162		McCallum
18	1702	1163		Petites
19	1702	1164		Rencontre East
20	1702	1165		St. Brendan's
21	1702	1166		South East Bight
22	1702	1167		Grey River
23	1702	1168		Charlottetown
24	1702	1169		Mary's Harbour
25	1702	1170		Norman Bay
26	1702	1171		St. Lewis
27	1702	1172		William's Harbour
28	1702	1173		Harbour Deep
29	1702	1174		Black Tickle
30	1702	1175		Rigolet
31	1702	1176		Mud Lake
32	1702	1177		Little Bay Islands
33	1702	1178		Westport
34	1702	1179		North Plant Goose Bay
35	1702	1180		Roddickton Diesel
36	1702	1181		Hawkes Bay
37	1702	1182		Roddickton Thermal
38	1702	1183		Ebbegumbaeg
39	1702	1192		Makkovick
40	1702	1193		Nain

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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	1702	1194		Paradise River
2	1702	1195		Wabush
3	1702	1290		Hardwoods
4	1702	1291		Stephenville
5	1703		X	Gas Turbine Fuel
6	1703	1103		Happy Valley
7	1703	1290		Hardwoods
8	1703	1291		Stephenville
9	1704		X	Bunker "C"
10	1704	1102		Holyrood
11	1705		X	Holyrood Additives
12	1705	1102		Holyrood
13	1706		X	Holyrood Ignition
14	1706	1102		Holyrood
15	1720		X	Lubricants
16	1720	1103		Happy Valley G.T.
17	1720	1107		St Anthony
18	1720	1153		Hopedale
19	1720	1154		Francois
20	1720	1155		Ramea
21	1720	1156		Port Hope Simpson
22	1720	1157		Cartwright
23	1720	1158		Davis Inlet
24	1720	1159		Postville
25	1720	1160		Lanse Au Loup
26	1720	1161		Lapoile
27	1720	1162		McCallum
28	1720	1163		Petites
29	1720	1164		Rencontre East
30	1720	1165		St Brendan's
31	1720	1166		South East Bight
32	1720	1167		Grey River
33	1720	1168		Charlottetown
34	1720	1169		Mary's Harbour
35	1720	1170		Normam Bay
36	1720	1171		St. Lewis
37	1720	1172		William's Harbour
38	1720	1173		Harbour Deep
39	1720	1174		Black Tickle
40	1720	1175		Rigolet

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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	1720	1176		Mud lake
2	1720	1177		Little Bay Islands
3	1720	1178		Westport
4	1720	1179		North Plant Goose Bay
5	1720	1180		Roddickton Diesel
6	1720	1181		Hawkes Bay
7	1720	1182		Roddickton Thermal
8	1720	1183		Ebbegumbaeg
9	1720	1192		Makkovick
10	1720	1193		Nain
11	1720	1194		Paradise River
12	1720	1290		Hardwoods G.T.
13	1720	1291		Stephenville G.T
14	1730		X	Supplies Inventory
15	1731		X	Inventory
16	1731	1101		Bishops Falls
17	1731	1102		Holyrood
18	1731	1103		Happy Valley
19	1731	1104		Port Saunders
20	1731	1105		Surplus Warehouse
21	1731	1106		Whitbourne
22	1731	1107		St Anthony
23	1731	1108		Telecontrol
24	1731	1109		Bay D'Espoir
25	1731	1110		Cat Arm
26	1731	1111		Hinds Lake
27	1731	1112		Upper Salmon
28	1731	1113		Paradise River
29	1731	1411		Obsolete Inventory
30	1733			In Transit
31	1735		X	Returnables
32	1735	1130		Returnable Reels
33	1735	1196		Returnable Pallets
34	1735	1197		Returnable Drums
35	1760		X	Aggregates
36	1760	1200		Dyke Material
37	1763			Steel Tower Testing
38				
39				
40	1800		X	Prepaid Expenses

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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	1800	1213		Insurance
2	1800	1214		Workers Compensation
3	1800	1216		Computer Licenses
4	1800	1217		Power Smart
5	1805			Short Term Notes - Discount
6				
7	1810		X	Sinking Funds
8	1815			Bonds
9	1815	1418		Premium on Purchase of Bonds
10	1815	1419		Discount on Purchase of Bonds
11	1815	1420		Cash
12	1815	1421		Accrued Interest Receivable
13	1815	1422		Receivables/payables
14	1815	1423		Temporary Investments
15	1815	1424		Past Due Interest Receivables
16	1815	1425		Coupons & Residuals
17				
18	1820			Long Term Receivables
19				
20	1823		X	Investments
21				
22	1825		X	Investment In CF(L)CO
23	1825	1132		Purchase CF(L)CO Shares
24	1825	1133		Equity In Retained Earnings
25	1825	1134		Equity In Net Income
26	1825	1135		Common Dividends
27				
28	1843			LCDC
29				
30	1844			GIPCO
31				
32	1848			Assets Held For Resale
33	1848	1182		Roddickton Thermal
34				
35	1850		X	Rate Stablization Plan
36	1852		X	Water Variation
37	1852	2010		Water
38	1852	2020		Water Interest
39	1854		X	Load Variation
40	1854	2050		Firm Energy

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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	1854	2060		Utility
2	1854	2070		Industrial
3	1854	2080		Petro Canada
4	1854	2090		Firm Interest
5	1854	2100		Secondary Energy
6	1854	2110		Secondary Energy
7	1854	2120		Secondary Interest
8	1856		X	Fuel
9	1856	2200		Fuel
10	1856	2210		Newlight Fuel
11	1856	2220		Fuel Interest
12	1857		X	Rural Rate Alteration
13	1857	2300		Rural Rate
14	1857	2310		Rural Rate Interest
15	1858		X	Labrador Interconnected
16	1858	2400		Labrador Interconnected
17	1858	2410		Labrador Intercon Interest
18	1859		X	Recovery
19	1859	2500		Recovery
20	1859	2510		Recovery Interest
21				
22	2000		X	Deferred Charges
23	2402			Exchange Loss
24	2550			EMS Lease
25	2560	1412		Discount and Issue Expense
26	2870		X	CF(L)Co
27	2870	1428		AS400
28	2870	1429		JDE Software
29				
30	3000		X	Liabilities & Shareholders Equity
31				
32	3002		X	Long Term Debt
33	3003		X	Long Term Debt
34	3004			Issues
35	3007			Trans To Curr Portion LTD
36	3600			Loans
37	3650			Current Portion
38				
39	3900		X	Current Liabilities

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	Balance	Sheet	Accounts
Object Code	Subsidiary Code	Summary Account	Description
1	3902		Bank Indebtedness
2			
3	3950	X	Accounts Payable
4	3960	X	Accounts Payable Trade
5	3960	0100	AP Trade Old Account
6	3960	1233	Canadian Trade Payable
7	3960	1238	Suspense Trade Payable
8	3960	1242	Received Not Vouchered
9	3960	1256	Received not Vouchered Contra
10	3960	1258	Suspense Offset (Logged)
11	3960	1412	Rural Refundable Deposits
12	3960	1413	Documents Refundable Deposits
13	3962	X	Taxes
14	3962	1208	Diesel Fuel
15	3962	1227	Gasoline
16	3962	1228	Aviation
17	3962	1229	Milk Service
18	3962	1230	Withholding
19	3962	1235	Insurance Premium
20	3962	1239	Container Deposit Clearing
21	3962	1254	Income Taxes
22	3962	1280	HST
23	3964		Insurance
24	3966		Contractor Retainage
25	3970		Credit Card Clearing
26	4030	X	Payroll
27	4038		Canada Savings Bonds
28	4039		Retirement Savings Plan
29	4042		Dues
30	4042	7000	Union - LHP
31	4044		Miscellaneous Deductions
32	4044	7000	Credit Union & Soc Club - LHP
33	4046		Pensions
34	4046	7000	Pension - LHP
35	4048	X	Mandatory Deductions
36	4048	1311	Employment Insurance
37	4048	1312	Canada Pension
38	4048	1313	Federal Income Tax
39	4048	7005	CPP _ LHP
40	4048	7007	EI - LHP



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	Balance	Sheet	Accounts	
Object Code	Subsidiary Code	Summary Account		Description
1	4048	7008		Tax - LHP
2	4058		X	Insurances Payable
3	4058	1236		Basic Life Insurance
4	4058	1237		Basic AD&D
5	4058	1301		Long Term Disability
6	4058	1302		Dental
7	4058	1303		Dependent Life
8	4058	1304		Optional Life
9	4058	1305		Optional AD&D
10	4058	1306		Medical
11	4058	7000		Dental - LHP
12	4058	7001		Medical - LHP
13	4058	7002		Group Life - LHP
14	4058	7003		LTD - LHP
15	4058	7004		AD & D - LHP
16	4058	7006		Voluntary Life - LHP
17	4062			Burden Clearing
18	4062	7000		Burden Clearing - LHP
19	4064			Wages Payable
20	4064	7000		Accrued Wages - LHP
21	4078			Garnishments
22	4090			Quebec Payroll Tax
23				
24				
25	4150		X	Accrued Liabilities
26	4153			Trade
27	4156			Capital
28	4157			Roddickton Remedial Work
29	4159			Contracts Liability
30	4162			Treasury
31	4165			Audit
32	4168			Bank
33	4171			Taxes
34	4174			Lanse Au Clair
35	4300		X	Accrued Interest
36	4305			Issues-Accrued Interest
37				
38				
39	4350		X	Long-term Debt Due In 1 Yr
40	4420			Capital Lease

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	Balance	Sheet	Accounts
Object Code	Subsidiary Code	Summary Account	Description
1	4430		Issues Due In 1 Year
2			
3	4500		Prommissory Notes
4			
5	4550		Unrealized Foriegn Exch Loss
6			
7	4637		Employee Future Benefits
8			
9	4680		Non-Control Interest CF(L)CO
10			
11	4700		Non-Control Interest LCDC
12			
13	4750	X	Shareholder's Equity
14			
15	4755		Share Capital
16	4760		Common Shares Par Value \$1
17			
18	4800	X	Contributed Capital
19			
20	4830		Lower Churchill Develop Corp
21	4850		Muskrat Falls Project
22	4900		Gull Island Project
23			
24	4950	X	Retained Earnings
25	4960		Prior & Current Year
26	4999		Summary

1 Q. (a) Provide details of staffing levels by department and location for the  
2 years 1992 to 2000 and projections for 2001 and 2002 (WEW, page  
3 18, line 7).  
4

5 (b) Provide staffing levels classified by temporary and permanent  
6 employees for the years 1992 to 2000 and forecast for 2001 and  
7 2002.  
8

9  
10 A. (a&b) Details of staffing levels by department for the years 1992 to 2000  
11 including temporary and permanent employees are attached.

STAFFING LEVELS

<u>YEAR</u>	<u>DIVISION</u>	<u>PERMANENT</u>	<u>TEMPORARY</u>
December 1992	Management & Internal Audit	17	1
	Operations	700	33
	Finance	168	29
	Engineering & Corporate Services	85	6
	Corporate Planning	22	5
	Human Resources & Legal	<u>20</u>	<u>44</u>
	<b>TOTAL</b>	<b>1012</b>	<b>118</b>
December 1993	Management	12	-
	Internal Audit	4	1
	Operations	703	128
	Finance	168	41
	Corporate Planning	22	2
	Engineering & Corporate Services	84	16
	Human Resources & Legal	<u>20</u>	<u>37</u>
<b>TOTAL</b>	<b>1013</b>	<b>225</b>	
December 1994	Management	11	-
	Internal Audit	4	1
	Operations	702	131
	Finance	168	37
	Corporate Planning	22	14
	Engineering & Corporate Services	84	25
	Human Resources & Legal	<u>20</u>	<u>2</u>
<b>TOTAL</b>	<b>1011</b>	<b>208</b>	
December 1995	Management	11	-
	Internal Audit	4	-
	Production	254	15
	Finance	176	41
	Corporate Planning	23	-
	TRO	473	56
	Human Resources & Legal	<u>20</u>	<u>23</u>
<b>TOTAL</b>	<b>961</b>	<b>135</b>	

<u>YEAR</u>	<u>DIVISION</u>	<u>PERMANENT</u>	<u>TEMPORARY</u>
December 1996	Management	9	-
	Internal Audit	4	1
	Production	270	16
	Finance	139	11
	Corporate Planning	47	32
	TRO	425	60
	Human Resources & Legal	<u>24</u>	<u>11</u>
	<b>TOTAL</b>	<b>918</b>	<b>131</b>
December 1997	Management	8	-
	Internal Adit	4	-
	Production	277	12
	Finance	123	44
	TRO	420	47
	Human Resources & Legal	<u>72</u>	<u>24</u>
	<b>TOTAL</b>	<b>904</b>	<b>127</b>
	December 1998	Management	9
Internal Audit		4	1
Production		278	17
Finance		121	56
TRO		406	68
Human Resources & Legal		<u>71</u>	<u>27</u>
<b>TOTAL</b>		<b>889</b>	<b>169</b>
December 1999		Management	9
	Internal Audit	4	1
	Production	320	22
	Finance	85	51
	TRO	412	73
	Human Resources & Legal	<u>71</u>	<u>37</u>
	<b>TOTAL</b>	<b>901</b>	<b>184</b>

<u>YEAR</u>	<u>DIVISION</u>	<u>PERMANENT</u>	<u>TEMPORARY</u>
December 2000	Management	8	0
	Internal Audit	4	1
	Production	318	30
	Finance	84	44
	TRO	411	82
	Human Resources & Legal	<u>66</u>	<u>31</u>
	<b>TOTAL</b>	<b>891</b>	<b>188</b>
May 2001	Management	8	0
	Internal Audit	4	0
	Production	313	63
	Finance	84	39
	TRO	380	128
	Human Resources & Legal	<u>66</u>	<u>59</u>
	<b>TOTAL</b>	<b>855</b>	<b>289</b>

Projections for year-end 2001/2002 are currently the same as May 2001.

**NOTE:** Information provided is forecast year-end with the exception of May 2001.

**Location**

All staff in Management and Internal Audit and the majority of staff in Finance (except meter readers) and Human Resources and Legal (except Materials Management staff in Bishop's Falls) are located at St. John's. Staff in Production and TRO are located at a number of locations throughout the Province. The location of each permanent employee is indicated on the organizational charts filed in NP-5(a) and (b).

- 1 Q. Provide details of the 159 permanent positions eliminated by department and  
2 by location (WEW, page 18, line 7).  
3  
4 A. Details of the 159 permanent positions eliminated are attached.

During the period January 1992 - May 31, 2001, 204 permanent positions were deleted and 45 permanent positions were added for a net reduction of 159 positions. Details are set out below.

**POSITIONS DELETED - JANUARY 1992 - MAY 31, 2001**

	<b><u>Division</u></b>	<b><u>Position</u></b>	<b><u>Location</u></b>
1.	Engineering & Corp. Serv.	CAD Technical Operator	St. John's
2.	TRO	Diesel Plant Operator	Petite Forte
3.	TRO	Diesel Plant Operator	Petite Forte
4.	Management	President – CF(L)Co.	St. John's
5.	Production	Hydro Control Room Opr.	Bay d'Espoir
6.	Production	Utility Worker	Bay d'Espoir
7.	Production	Applications Engineer	St. John's
8.	Production	Software Engineer	St. John's
9.	Production	Sr. Mechanical Eng. - Oprs.	St. John's
10.	Production	Programmer/Analyst	St. John's
11.	TRO	General Maintenance "A"	Whitbourne
12.	TRO	Security Guard	Bishop's Falls
13.	TRO	Security Guard	Bishop's Falls
14.	TRO	Security Guard	Bishop's Falls
15.	TRO	Security Guard	Bishop's Falls
16.	TRO	Ground Maintenance Worker	Bishop's Falls
17.	TRO	Distribution Supervisor	Bishop's Falls
18.	TRO	Line Worker "A"	Bishop's Falls
19.	TRO	Line Worker "A"	Bishop's Falls
20.	TRO	Line Worker "A"	Bishop's Falls
21.	TRO	Line Worker "A"	Bishop's Falls
22.	TRO	Mechanical Maintenance "A"	Bishop's Falls
23.	TRO	Stores Repair Worker	Bishop's Falls
24.	TRO	Diesel Plant Operator "B"	McCallum
25.	TRO	General Maintenance "A"	Stephenville
26.	TRO	Cashier Clerk	St. Anthony
27.	TRO	Electrical Maintenance "A"	St. Anthony
28.	TRO	Operator - Fully Attended Plant	St. Anthony
29.	TRO	Operator - Fully Attended Plant	St. Anthony
30.	TRO	Plant Maintenance Supervisor	Roddickton
31.	TRO	Utility/Operator	Roddickton
32.	TRO	Diesel Plant Operator "B"	Cartwright
33.	TRO	Diesel Plant Operator "B"	Rigolet
34.	TRO	Diesel Plant Operator "B"	Hopedale
35.	TRO	Property Agent/Appraiser	St. John's



	<u>Division</u>	<u>Position</u>	<u>Location</u>
36.	TRO	Technologist	St. John's
37.	Finance	Treasury Assistant	St. John's
38.	Finance	Secretary	St. John's
39.	Finance	Accounting Clerk II	St. John's
40.	Finance	Records Clerk	St. John's
41.	Finance	Tax Officer	St. John's
42.	Finance	Accounting Clerk II	St. John's
43.	Finance	Buyer	St. John's
44.	Finance	Office Services Clerk	St. John's
45.	TRO	Clerk/Typist	St. John's
46.	Finance	Mgr. Info. Support Services	St. John's
47.	Production	Mgr. Energy Mgmt. System	St. John's
48.	Production	Sr. Operations Planning Engineer	St. John's
49.	Production	P&C Comm. Specialist	St. John's
50.	TRO	Technical Services Co-ordinator	St. John's
51.	TRO	Technologist	Stephenville
52.	TRO	Electrical Maintenance "A"	Stephenville
53.	Finance	Senior Financial Accountant	St. John's
54.	TRO	Mechanical Maintenance "A"	Stephenville
55.	TRO	Utility/Operator	Roddickton
56.	TRO	Diesel Plant Supervisor	Lanse au Loup
57.	Management	Senior Secretary	St. John's
58.	Production	Electrical Maintenance "A"	Bay d'Espoir
59.	Production	Sr. Supv. Elect. & Inst. Mtce.	Holyrood
60.	Production	Materials Co-ordinator	Holyrood
61.	Production	Thermal Systems Specialist	St. John's
62.	Production	Telecontrol Specialist	St. John's
63.	Production	Sr. Supv. Telecontrol Maint.	St. John's
64.	Production	Telecontrol Clerk	St. John's
65.	Production	Civil Designer	St. John's
66.	TRO	Driver/Ground Worker	Bishop's Falls
67.	TRO	Storekeeper	Whitbourne
68.	TRO	Electrical Maintenance "A"	Stephenville
69.	TRO	Distribution Supervisor	Port Saunders
70.	TRO	Line Worker "A"	Port Saunders
71.	TRO	Line Worker "A"	Rocky Harbour
72.	TRO	Line Worker "A"	Cow Head
73.	TRO	Sr. Supv. Distribution Maint.	Bishop's Falls
74.	TRO	Line Worker "A"	Fogo
75.	TRO	Line Worker "A"	Lanse au Loup
76.	TRO	Technologist	St. John's
77.	TRO	Manager, Project Services	St. John's

	<u>Division</u>	<u>Position</u>	<u>Location</u>
78.	TRO	Project Services Assistant	St. John's
79.	TRO	Engineering Assistant	St. John's
80.	TRO	Transmission Engineer	St. John's
81.	TRO	Secretary	St. John's
82.	TRO	Sr. Supv. Fleet Services	Bishop's Falls
83.	TRO	Secretary	Bishop's Falls
84.	TRO	Cashier Clerk	Happy Valley
85.	TRO	Cashier Clerk	Wabush
86.	TRO	Manager, Northern Region	St. Anthony
87.	TRO	Sr. Supv. Prod. & Maint.	St. Anthony
88.	TRO	Senior Civil Engineer	St. John's
89.	TRO	Projects Purchasing Co-ord.	St. John's
90.	TRO	Dir. Const. & Project Services	St. John's
91.	Corporate Planning	Planning Engineer	St. John's
92.	Corporate Planning	Corporate Affairs Co-ordinator	St. John's
93.	Finance	Mgr. Proj. Financial Services	St. John's
94.	Finance	Acct. Financial Reports	St. John's
95.	Finance	Budget Analyst	St. John's
96.	Finance	Accounting Clerk II	St. John's
97.	Finance	Accounting Clerk II	St. John's
98.	Finance	Senior Materials Specialist	St. John's
99.	Finance	Sr. Supv. Materials Control	St. John's
100.	Finance	Accounting Clerk III	St. John's
101.	Finance	Stores Worker	Bishop's Falls
102.	Finance	Office Services Supervisor	St. John's
103.	Finance	Transportation Supervisor	St. John's
104.	Finance	Driver Clerk	St. John's
105.	Finance	Secretary	St. John's
106.	HR & Legal	Secretary	St. John's
107.	HR & Legal	Employee Benefits Specialist	St. John's
108.	TRO	Plant Operator	Westport
109.	TRO	Plant Operator	Westport
110.	Management	Executive Secretary	St. John's
111.	Production	ECC Supervisor	St. John's
112.	Production	Telecontrol Maint. Supv.	Bay d'Espoir
113.	TRO	Technologist	St. Anthony
114.	HR & Legal	Expediter	St. John's
115.	Finance	Senior Data Control Analyst	St. John's
116.	Finance	V-P Corp. Plng. & Cust. Serv.	St. John's
117.	TRO	Operator - Fully Attended Plant	St. Anthony
118.	TRO	Diesel Plant Operator	St. Anthony
119.	TRO	Transport Driver	Bishop's Falls

	<u>Division</u>	<u>Position</u>	<u>Location</u>
120.	TRO	Mechanical Maintenance "A"	St. Anthony
121.	HR & Legal	Transportation Clerk	St. John's
122.	TRO	Accounting Clerk I	Bishop's Falls
123.	TRO	Maintenance Planner	Bishop's Falls
124.	TRO	Production & Maint. Supv.	Ramea
125.	TRO	Operator - Fully Attended Plant	Ramea
126.	TRO	Operator - Fully Attended Plant	Ramea
127.	TRO	Mechanical Maintenance "A"	Ramea
128.	TRO	Electrical Maintenance "A"	Ramea
129.	Finance	Process Improvement Specialist	St. John's
130.	Finance	Programmer	St. John's
131.	Finance	Programmer	St. John's
132.	Finance	Programmer	St. John's
133.	TRO	Office Supervisor	Whitbourne
134.	TRO	Line Worker "A"	Whitbourne
135.	TRO	Salvage Stores Supervisor	Bishop's Falls
136.	TRO	Terminal Maintenance "A"	Whitbourne
137.	TRO	Technologist	St. Anthony
138.	Finance	Accounting Clerk I	St. John's
139.	Production	Senior Station Operator	Roddickton
140.	Production	Senior Station Operator	Roddickton
141.	Production	Station Operator	Roddickton
142.	TRO	Manager, Rural Support	St. John's
143.	TRO	Mechanical Maintenance "A"	St. Anthony
144.	Finance	Accounts Payable Officer	St. John's
145.	Finance	Data Control Analyst	St. John's
146.	Finance	Accounting Clerk II	St. John's
147.	Finance	Accounting Clerk II	St. John's
148.	Finance	Accounting Clerk II	St. John's
149.	Production	Utility Worker	Holyrood
150.	Production	Utility Worker	Bay d'Espoir
151.	Production	Hydro Plant Operator	Snooks Arm
152.	Production	Accountant	St. John's
153.	HR & Legal	Human Resources Assistant	St. John's
154.	HR & Legal	Buyer	St. John's
155.	HR & Legal	Expediter	St. John's
156.	HR & Legal	Purchasing Clerk	St. John's
157.	HR & Legal	Senior Stores Worker	Bishop's Falls
158.	HR & Legal	Records Centre Administrator	St. John's

	<u>Division</u>	<u>Position</u>	<u>Location</u>
159.	Management	Vice-President, Negotiations	St. John's
160.	TRO	Technologist	St. John's
161.	Production	Mechanical Maintenance "A"	Holyrood
162.	Production	Mechanical Maintenance "A"	Holyrood
163.	Production	Utility Worker	Holyrood
164.	Production	Inventory Clerk	Holyrood
165.	Production	Inventory Clerk	Holyrood
166.	Production	Planning Engineer	St. John's
167.	Production	Business Solutions Analyst	St. John's
168.	TRO	Maintenance Planning Clerk	Whitbourne
169.	TRO	Maintenance Planning Clerk	Stephenville
170.	TRO	Accountant	Bishop's Falls
171.	TRO	Accounting Clerk III	Bishop's Falls
172.	TRO	Clerk/Typist	Bishop's Falls
173.	TRO	Clerk/Typist	Bishop's Falls
174.	TRO	Diesel Plant Operator "B"	Grey River
175.	TRO	Diesel Plant Operator "B"	Francois
176.	TRO	Driver/Ground Worker	Stephenville
177.	TRO	Line Worker "A"	Ramea
178.	TRO	Driver/Ground Worker	Whitbourne
179.	TRO	Driver/Ground Worker	Whitbourne
180.	TRO	Line Worker "A"	English Harbour West
181.	TRO	Driver/Ground Worker	Bishop's Falls
182.	TRO	Driver/Ground Worker	Bishop's Falls
183.	TRO	Driver/Ground Worker	Bishop's Falls
184.	TRO	Driver/Ground Worker	Bishop's Falls
185.	TRO	Diesel Plant Operator "B"	Paradise River
186.	TRO	Driver/Ground Worker	Happy Valley
187.	TRO	Line Worker "A"	St. Anthony
188.	TRO	Driver/Ground Worker	St. Anthony
189.	TRO	Driver/Ground Worker	St. Anthony
190.	TRO	Driver/Ground Worker	Lanse au Loup
191.	TRO	Line Worker "A"	Cow Head
192.	TRO	Driver/Ground Worker	Cow Head
193.	TRO	Driver/Ground Worker	Cow Head
194.	TRO	Driver/Ground Worker	Port Saunders
195.	TRO	Driver/Ground Worker	Port Saunders
196.	TRO	Technologist	St. John's
197.	TRO	Design Drafter (Civil)	St. John's
198.	TRO	Line Worker "A"	Hermitage
199.	TRO	Line Worker "A"	Cartwright
200.	TRO	Line Worker "A"	Happy Valley

	<b><u>Division</u></b>	<b><u>Position</u></b>	<b><u>Location</u></b>
201.	TRO	Line Worker "A"	Port Saunders
202.	TRO	Line Worker "A"	Flowers Cove
203.	TRO	Line Worker "A"	Roddickton
204.	TRO	Line Worker "A"	Roddickton

**POSITIONS ADDED - JANUARY 1992 - MAY 31, 2001**

	<b><u>Division</u></b>	<b><u>Position</u></b>	<b><u>Location</u></b>
1.	TRO	Electrician/Operator	Happy Valley
2.	Production	Systems Engineer	St. John's
3.	TRO	Distribution Supervisor	Port Saunders
4.	TRO	Line Worker "A"	Port Saunders
5.	TRO	Clerk/Typist	St. Anthony
6.	Production	Office Clerk	Holyrood
7.	Production	Clerk/Typist	Holyrood
8.	Production	Quality Assurance Engineer	Holyrood
9.	Production	Mechanical Maintenance "A"	Holyrood
10.	Production	Mechanical Maintenance "A"	Holyrood
11.	Production	Mechanical Maintenance "A"	Holyrood
12.	Production	Mechanical Maintenance "A"	Holyrood
13.	Production	Mechanical Maintenance "A"	Holyrood
14.	Production	Utility Worker	Holyrood
15.	Production	Utility Worker	Holyrood
16.	Production	Technologist	Holyrood
17.	TRO	Driver/Ground Worker	Bishop's Falls
18.	TRO	General Maintenance "A"	Port Saunders
19.	Corp. Planning	Accounting Clerk II	St. John's
20.	Management	Vice-President, Negotiations	St. John's
21.	Production	Electrical Engineer	St. John's
22.	TRO	Ecologist	St. John's
23.	TRO	Mechanical Engineer	St. John's
24.	TRO	Asset Manager	Happy Valley
25.	TRO	Equipment Engineer	Happy Valley
26.	TRO	Asset Mgr. Trans. & Dist.	Bishop's Falls
27.	TRO	Asset Mgr. Stns. & Gen.	Bishop's Falls
28.	TRO	Equipment Engineer	Port Saunders
29.	TRO	Technical Services Supt.	Bishop's Falls
30.	TRO	Mech./Elect. Supt.	Bishop's Falls
31.	Finance	Regulatory Specialist	St. John's
32.	Finance	Chief Information Officer	St. John's
33.	Production	Plant Engineer (Mech.)	Holyrood
34.	Production	General Maintenance Supv.	Bay d'Espoir
35.	Production	Planner	Bay d'Espoir
36.	TRO	Mechanical Designer	St. John's
37.	TRO	Business Analyst	St. John's
38.	Production	Stores Worker	Holyrood
39.	Production	Control Software Specialist	Holyrood
40.	TRO	Area Office Clerk	Bishop's Falls
41.	TRO	Office Clerk	Bishop's Falls
42.	TRO	Line Worker "A"	Bay d'Espoir
43.	TRO	Line Worker "A"	Stephenville
44.	TRO	Diesel Plant Operator "B"	Rigolet
45.	TRO	Diesel Plant Operator "B"	Hopedale

1 Q. Provide details of salaries and wages expense for each year from 1992 to  
2 2000 and forecast for 2001 and 2002 (JCR, Schedule I) as follows:

3

4 (a) by type of labour (ie., regular permanent, regular temporary, overtime and  
5 contractor); and

6

7 (b) by capital or operating functions.

8

9

10 A. (a) See attached schedule for details by type of labour.

11

12 (b) See attached schedule for details of capitalized expenses.

**SALARIES & WAGES EXPENSE**

**NP-8 (a)  
Page 2 of 5**

DESCRIPTION	1992	1993	1994	1995	1996	1997
SALARIES - PERMANENT	40,248,778	40,343,665	40,443,046	39,969,568	39,479,816	38,440,452
SALARIES - TEMPORARY	5,476,726	5,721,022	6,500,025	5,876,981	5,530,076	4,178,988
OVERTIME	2,926,805	2,618,740	3,105,923	3,316,327	2,741,606	2,837,167
DIRECTORS FEES	67,249	48,331	50,394	79,487	81,368	101,765
FRINGE BENEFITS	5,253,109	5,494,029	5,553,231	5,401,550	5,221,519	4,849,330
LABRADOR TRAVEL BENEFIT	72,082	78,386	72,790	83,670	80,787	71,691
GROUP INSURANCE	1,271,243	1,309,696	1,423,202	1,263,298	1,299,742	1,381,347
TERMINATION & RETIREMENT PAY					2,289,419	2,235
<b>TOTAL SALARIES &amp; WAGES</b>	<b>55,315,992</b>	<b>55,613,869</b>	<b>57,148,611</b>	<b>55,990,880</b>	<b>56,724,332</b>	<b>51,862,975</b>



**SALARIES & WAGES EXPENSE****NP-8 (a)  
Page 3 of 5**

DESCRIPTION	1998	1999	2000	2001 ESTIMATE	2002 FORECAST
SALARIES - PERMANENT	39,330,387	40,444,741	41,061,053	42,620,061	43,876,638
SALARIES - TEMPORARY	4,681,202	5,726,667	6,481,672	5,496,193	5,293,516
OVERTIME	4,073,915	3,946,124	3,998,376	2,516,424	2,615,424
DIRECTORS FEES	108,205	77,467	20,603	62,000	62,000
FRINGE BENEFITS	5,436,580	5,513,901	6,205,147	6,013,120	6,359,483
LABRADOR TRAVEL BENEFIT	74,257	70,768	127,451	103,805	106,180
GROUP INSURANCE	1,199,750	1,289,368	1,128,218	1,216,500	1,216,500
EMPLOYEE FUTURE BENEFITS			2,243,570	2,243,570	2,243,570
<b>TOTAL SALARIES &amp; WAGES</b>	<b>54,904,295</b>	<b>57,069,035</b>	<b>61,266,090</b>	<b>60,271,673</b>	<b>61,773,311</b>

**CAPITALIZED EXPENSES**

NP-8 (b)  
Page 4 of 5

DESCRIPTION	1992	1993	1994	1995	1996	1997
CAPITALIZED SALARIES	(4,172,549)	(3,996,126)	(4,114,791)	(4,237,043)	(3,746,529)	(4,545,660)
CAPITALIZED OVERTIME	(569,862)	(466,388)	(960,015)	(889,767)	(693,365)	(639,217)
<b>CAPITALIZED SALARIES</b>	<b>(4,742,411)</b>	<b>(4,462,514)</b>	<b>(5,074,806)</b>	<b>(5,126,810)</b>	<b>(4,439,894)</b>	<b>(5,184,877)</b>
CAPITALIZED % ALLOCATION	(948,626)	(906,755)	(926,384)	(1,612,819)	(1,086,218)	(1,225,778)
CAPITALIZED EXP TRAVEL DISTRICT W/O	(127,424)	(108,509)	(103,956)	(92,031)	(121,277)	(104,357)
CAPITALIZED FLEET	(476,177)	(390,039)	(350,161)	(410,398)	(427,056)	(381,543)
GIPCO COST RECOVERY	(1,115)	(1,130)	(1,225)	(1,125)	(1,270)	
<b>TOTAL CAPITALIZED EXP</b>	<b>(6,295,753)</b>	<b>(5,868,947)</b>	<b>(6,456,532)</b>	<b>(7,243,182)</b>	<b>(6,075,715)</b>	<b>(6,896,555)</b>

**CAPITALIZED EXPENSES**

DESCRIPTION	1998	1999	2000	2001 ESTIMATE	2002 FORECAST
CAPITALIZED SALARIES	(5,727,097)	(5,311,862)	(4,458,856)	(3,954,250)	(3,966,950)
CAPITALIZED OVERTIME	(1,050,444)	(742,849)	(727,344)	(27,700)	(80,000)
<b>CAPITALIZED SALARIES</b>	<b>(6,777,541)</b>	<b>(6,054,711)</b>	<b>(5,186,199)</b>	<b>(3,981,950)</b>	<b>(4,046,950)</b>
CAPITALIZED % ALLOCATION	(1,417,426)	(2,118,632)	(2,032,793)	(1,675,550)	(1,675,550)
CAPITALIZED EXP TRAVEL DISTRICT W/O*	(90,700)	(108,145)	(131,110)	(107,000)	(108,640)
CAPITALIZED FLEET*	(381,387)	(255,218)	(502,400)	(300,000)	(300,000)
<b>TOTAL CAPITALIZED EXP</b>	<b>(8,667,054)</b>	<b>(8,536,706)</b>	<b>(7,852,502)</b>	<b>(6,064,500)</b>	<b>(6,131,140)</b>

\* Effective 2000, these costs are netted against the appropriate expenses in the revenue requirement schedule.

1 Q. Provide the assumptions and calculations used in the capital and operating  
2 forecasts (JCR, Schedule I) as follows:

3

- 4 (a) Labour Escalation Rate;
- 5 (b) Materials and Other Escalation Rate(s); and
- 6 (c) Interest Rates.

7

8 A. (a) Salary projections for 2001 were based on existing rates scaled by 3%  
9 effective January 1 for both union and non-union employees plus an  
10 additional 2% effective April 1 for union employees and effective July  
11 2, for non-union employees.

12

13 The current collective agreements expire March 31, 2002 and  
14 collective bargaining for new agreements will commence late 2001 or  
15 early 2002. It would be prejudicial to the collective bargaining process  
16 to publicly release this information on 2002.

17

18 (b) For the Operating Forecast, there were no escalation rates applied to  
19 Material and Other costs for either 2001 or 2002. For the Capital  
20 Budget, an escalation rate of 2% was applied to each year.

21

22 (c) See response to NP-81.

1 Q. (a) Provide details of inter-corporate transactions for each year for the  
2 period 1992 to 2000 and forecast for 2001 and 2002 (JCR, Schedule I,  
3 lines 34 and 35).

4

5 (b) Provide details on how Hydro allocates costs to its subsidiaries,  
6 including costs of executives and other employees (JCR, Schedule I,  
7 lines 34 and 35).

8

9 A. (a) The schedule attached provides details of the allocations to CF(L)Co  
10 for the period 1992-2002.

11

12 (b) The basis for allocating costs to CF(L)Co is provided in the attached  
13 report entitled "Review of Operating Costs Recovered from Churchill  
14 Falls (Labrador) Corporation Ltd. as at December 31, 2000".

Newfoundland & Labrador Hydro  
Summary of Cost Recoveries From CFLJCo  
1992 - 2002

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>CFLJCo Recoveries</b>											
CFLJCo Audits Management	54,815	61,154	67,990	58,150	78,072	70,591	87,055	87,055	10,870	69,806	67,967
Less: CFLJCo Countercharge	236,774	242,833	314,975	217,138	194,931	175,754	155,379	204,020	60,694	100,000	140,024
Risk Management & Public Relations	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Control's Department	57,231	65,262	64,286	64,433	70,209	54,186	31,512	30,903	40,650	40,650	30,903
Treasury Department	595,979	673,794	684,036	627,128	622,715	388,919	286,038	252,589	296,747	296,747	252,589
IS & T	125,120	92,149	90,270	89,055	107,092	87,301	65,231	59,289	78,335	78,335	59,289
Financial Planning	400,862	414,572	510,849	501,721	594,221	771,106	715,360	546,074	362,623	362,623	546,074
Labour Relations	8,966	6,680	2,655	2,776	2,776	2,776	2,776	2,776	14,716	14,716	45,000
Materials Management	105,308	88,020	0	89,030	84,377	70,723	61,160	59,807	43,220	25,000	50,125
Engineering Services	621,898	627,561	648,096	642,273	610,272	566,421	564,447	482,658	716,756	688,273	329,331
Human Resources	0	0	0	0	0	0	0	0	(105,759)	37,674	75,000
Maintenance Analyst	118,762	122,438	218,750	149,643	168,191	139,270	137,791	137,850	101,728	101,727	137,850
Environmental Services	0	0	0	0	0	0	0	0	13,540	13,039	17,000
Drafting Support	27,496	27,500	27,500	26,500	31,765	20,000	20,000	20,000	53,678	20,000	20,000
Legal & Corporate Secretary	0	0	0	0	0	0	0	0	6,100	6,100	0
	40,295	37,815	39,652	41,336	42,304	44,475	44,000	0	25,342	25,342	44,000
<b>TOTAL</b>	<b>2,389,296</b>	<b>2,340,783</b>	<b>2,449,809</b>	<b>2,359,193</b>	<b>2,446,985</b>	<b>2,371,522</b>	<b>2,260,069</b>	<b>2,109,020</b>	<b>1,669,950</b>	<b>1,791,333</b>	<b>1,795,741</b>
<b>Adjustments :</b>											
External Cost Recoveries										114,500	114,500
<b>TOTAL</b>	<b>2,389,296</b>	<b>2,340,783</b>	<b>2,449,809</b>	<b>2,359,193</b>	<b>2,446,985</b>	<b>2,371,522</b>	<b>2,260,069</b>	<b>2,109,020</b>	<b>1,669,950</b>	<b>1,905,833</b>	<b>1,910,241</b>

1 Q. How does Hydro allocate costs between regulated and non-regulated  
2 operations (JCR, Schedule I)?

3

4 A. Hydro allocates costs to non-regulated operations primarily on the basis of  
5 time reporting. The timesheet reporting uses a billing rate to cover salary  
6 and related fringe benefits costs. The ratio between salaries allocated and  
7 total salaries in a particular section is generally used to allocate other  
8 applicable costs. Occupancy costs would be allocated on the basis of space  
9 occupied or a complement ratio. However, where possible, costs are billed  
10 directly to non-regulated operations.

1 Q. Provide details of the following expenses for each year of the period 1992 to  
2 2000 and forecast for 2001 and 2002 (JCR, Schedule I):

3

4 (a) charitable donations;

5 (b) advertising;

6 (c) community relations; and

7 (d) political contributions.

8

9

10 A. (a) Hydro does make a number of charitable donations each year but none  
11 are included in the Cost of Service.

12

13 (b) The attached schedule provides details of the Advertising expenses  
14 incurred during the period 1992 to 2000 and includes tender ads, power  
15 outages, recruitment, etc. The forecast for 2001 and 2002 is also  
16 attached.

17

18 (c) There are minor contributions made each year to various school and  
19 community organizations but all are excluded from the Cost of Service.  
20 The only item not excluded is the annual contribution made each year  
21 for the cost of Bay D'Espoir Street Lighting which is as follows:

22	1992	50,595
23	1993	51,455
24	1993	52,760
25	1995	53,417
26	1996	55,320
27	1997	54,947
28	1998	54,903



1	1999	56,234
2	2000	53,934
3	2001	60,000
4	2002	60,000

5

6 (d) There were no political contributions.

**Newfoundland and Labrador Hydro  
2001 / 2002 Advertising Budget Forecasts**

Division	Business Unit	2001 Forecast	2002 Forecast	Budget Explanations
Finance	1186	\$ 75,000	\$ 75,000	Communications Plan
Human Resources	1214	\$ 14,800	\$ 14,800	Local / Out of Province Ads
Human Resources	1216	\$ 1,000	\$ 1,000	Safety Week Ads
Human Resources	1217	\$ 8,000	\$ 8,000	Public Tender Ads
		\$ 23,800	\$ 23,800	
TRO	1349	\$ 3,000	\$ 3,000	Herbicide treatment ads
TRO	1350	\$ 14,000	\$ 14,000	Announcing Planned/Unplanned interruptions
TRO	1386	\$ 8,300	\$ 7,750	Announcing Planned/Unplanned interruptions
TRO	1391	\$ 500	\$ 500	Announcing Planned/Unplanned interruptions
TRO	1392	\$ 200	\$ 500	Announcing Planned/Unplanned interruptions
TRO	1411	\$ 300	\$ 300	Announcing Planned/Unplanned interruptions
TRO	1425	\$ 200	\$ 200	Announcing Planned/Unplanned interruptions
TRO	1426	\$ 1,000	\$ 600	Announcing Planned/Unplanned interruptions
TRO	1427	\$ 5,000	\$ 5,000	Announcing Planned/Unplanned interruptions
TRO	1428	\$ 1,250	\$ 1,375	Announcing Planned/Unplanned interruptions
TRO	1434	\$ 200	\$ 200	Announcing Planned/Unplanned interruptions
		\$ 33,950	\$ 33,425	
<b>Total</b>		\$ 132,750	\$ 132,225	

1 Q. (a) Provide details of the wage increases including all lump sum  
2 payments, bonuses, performance pay or other remuneration granted  
3 to union and managerial employees for the period 1992 to 2001 and  
4 forecast for 2002 (JCR, Schedule I).

5 (b) Provide annual increases in wage and salary expense resulting from  
6 job reclassifications for each year for the period 1992 to 2001.

7  
8 A. (a) Details of wage increases for the period 1992 to 2001 and forecast for  
9 2002 are attached.

10 (b) Hydro policy does not specifically define *reclassification*. There is a  
11 job evaluation and appeal process that assesses changes in duties  
12 and responsibilities, and it is this process that may result in a change  
13 in pay and/or job title for any given position. The data provided below  
14 provides wage and salary expenses resulting from job re-evaluations  
15 for each year from 1998 to 2001.

16  
17 Reclassification/re-evaluation was not recorded separately prior to  
18 1998 and is therefore unavailable.

19  
20

<u>YEAR</u>	<u>COST OF JOB EVALUATION</u>	
	<u>Non-Union</u>	<u>Union</u>
21 1998	\$28,243	\$178,230
22 1999	\$17,788	\$17,670
23 2000	\$72,148	\$285,042

24

	Non-Union Wage Increases 1992 - 2001									
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Economic Increase to Salary Scale</b>	0%	0%	0%	0%	0%	0%	1.9%	2%	2%	3% Jan. 1, 2% July 2
<b>Performance Pay</b>	0	0	0	0	0	0	0	0	0	0
<b>Lump Sum Payments</b>	0	0	0	0	0	2%	0	0	0	0
<b>Bonuses</b>	0	0	0	0	0	0	0	0	0	0

NOTE: Step progressions for people below their job rates continued during this period.

	Union Wage Increases 1992 - 2001									
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>IBEW Union</b>	0%	0%	0%	0%	2.5%	2.5%	2.5%	2%	2%	3% April 2% April

**FORECAST 2002:**

Hydro will commence the collective bargaining process with IBEW 1615 in January 2002 for a new collective agreement. It would be prejudicial to this process to release information on the 2002 projections at this time.

- 1 Q. (a) What methodology does Hydro use to allocate expenditures from non-  
2 construction departments to Hydro Capitalized Expense (JCR,  
3 Schedule I, line 33).
- 4 (b) Has the methodology described in (a) above changed from 1992 to  
5 present?
- 6 (c) Provide details of the Hydro Capitalized Expense for the years 1992 to  
7 2000 and forecast 2001 and 2002 showing direct and indirect charges.
- 8 (d) Provide the yearly Hydro Capitalized Expense amount as a  
9 percentage of capital expenditure for 1992 to 2000 and forecast for  
10 2001 and 2002.
- 11
- 12 A. (a) Each non-construction department estimates the amount of effort that  
13 is expended on capital, versus operating, activities. Those proportions  
14 of each department's budget are totaled and compared to the total  
15 capital budget to develop a percentage or standard rate to use to  
16 allocate these costs to work orders. These allocations are intended to  
17 ensure that capital projects are adequately charged with the cost of  
18 support functions such as accounting and finance, operations and  
19 planning engineering, and other such expenses which cannot be  
20 directly charged to specific capital projects.
- 21
- 22 (b) The methodology has not changed.
- 23
- 24 (c) Please refer to NP-8(b) pages 1 and 2.
- 25
- 26 (d) The attached table depicts the Hydro Capitalized Expenses as a  
27 percentage of capital expenditures.

**Hydro Capitalized Expense as a Percentage of Capital Expenditures**

<b>Year</b>	<b>Capitalized Expenses</b>	<b>Capital Expenditures</b>	<b>% of Capital</b>
1992	6,295,753	29,034,000	22%
1993	5,868,947	24,947,000	24%
1994	6,456,532	27,691,000	23%
1995	7,243,182	41,624,000	17%
1996	6,075,715	28,728,000	21%
1997	6,896,555	31,427,000	22%
1998	8,667,054	52,668,646	16%
1999	8,536,706	45,197,245	19%
2000	7,852,502	52,085,000	15%
2001	6,064,500	86,677,000	7%
2002	6,131,140	115,261,000	5%

- 1 Q. (a) Provide the details of the \$100,585,000 cost of No. 6 fuel for 2002  
2 (JCR, Schedule I).  
3
- 4 (b) Reconcile the amount in (a) above with the \$99,330,000 No. 6 fuel  
5 cost for 2002 (JCR, Schedule VI).  
6  
7
- 8 A. (a) The \$100,585,000 cost of No. 6 fuel for 2002 in JCR, Schedule I, is  
9 the forecast cost of No. 6 fuel to be used in production at Holyrood.  
10 The details are shown in the attached table under the Production Cost  
11 column.  
12
- 13 (b) The \$99,330,000 cost of No. 6 fuel for 2002 in JCR, Schedule VI is the  
14 forecast cost of No. 6 fuel to be purchased for Holyrood. It is shown in  
15 the attached table under the Purchase Cost column.

**Holyrood No. 6 Fuel Costs - 2002**

	Pre-Purchase	Purchase			Post -Purchase	Production	
	Inventory Price \$/bbl	Volume bbl	Price \$/bbl	Cost \$	Inventory Price \$/bbl	Volume bbl	Cost \$
January	28.7720	500,000	28.32	14,190,000	28.5734	499,820	14,281,557
February	28.5734	750,000	28.32	21,285,000	28.4562	451,459	12,846,808
March	28.4562	0	28.32	0	28.4562	374,869	10,667,347
April	28.4562	500,000	28.32	14,190,000	28.4144	322,459	9,162,479
May	28.4144	0	28.32	0	28.4144	249,918	7,101,270
June	28.4144	250,000	28.32	7,095,000	28.3998	161,230	4,578,900
July	28.3998	0	28.32	0	28.3998	0	0
August	28.3998	0	28.32	0	28.3998	0	0
September	28.3998	250,000	28.32	7,095,000	28.3925	241,852	6,866,783
October	28.3925	250,000	28.32	7,095,000	28.3879	333,213	9,459,217
November	28.3879	500,000	28.32	14,190,000	28.3833	403,082	11,440,797
December	28.3833	500,000	28.32	14,190,000	28.3816	499,607	14,179,646
<b>Total</b>		<b>3,500,000</b>		<b>99,330,000</b>		<b>3,537,509</b>	<b>100,584,804</b>

1 Q. Reconcile the \$4,458,000 forecast miscellaneous expenses for 2002 (JCR,  
2 Schedule I, line 27) with the \$4,133,000 miscellaneous expenses for 2002  
3 (JCR, Schedule V).

4

5 A. The \$4,458,000 forecast miscellaneous expense for 2002 shown on JCR,  
6 Schedule 1, line 27 includes \$325,000 of customer costs which are shown as  
7 a separate item on JCR, Schedule V.



1 Q. Explain the \$29,017,000 forecast O&M in 2002 (JCR, Schedule VI) in the  
2 context of the total forecast O&M expenses of \$97,394,000 with specific  
3 reference to line items in JCR, Schedule I.

4

5 A. The \$29,017,000 forecast O&M in 2002 (JCR, Schedule VI) is the amount  
6 upon which HST will be payable, calculated as follows:

7

8	O&M, JCR, Schedule I	\$ 97,394,000
9	less: CF(L)Co	1,910,000
10	Loss on disposal of fixed assets	791,000
11	Salaries	61,773,000
12	Insurance	848,000
13	Miscellaneous	<u>3,055,000</u>
14		<u>\$ 29,017,000</u>

1 Q. Provide details of uncollectible bills (in \$ and % of annual revenue) for the  
2 period 1992 to 2000 and forecast for 2001 and 2002 (JCR, Schedule I) for  
3 each of the following:

4

- 5 (a) Island Rural Isolated;
- 6 (b) Island Rural Interconnected;
- 7 (c) Labrador Rural Isolated; and
- 8 (d) Labrador Rural Interconnected.

9

10

11 A. Attached is a table presenting the bad debts as requested with the exception  
12 that the data is not available by system as requested. The data is presented  
13 by area as follows:

14

15 Island: Includes Island Interconnected (excluding the Town of St.  
16 Anthony and surrounding areas), Island Isolated System and  
17 southern Labrador from L'Anse au Clair to Red Bay.

18

19 Happy Valley; Includes Happy Valley/Goose Bay, Mud Lake,  
20 Sheshatshiu, Northwest River, and Labrador Isolated  
21 System from Nain to Black Tickle.

22

23 St. Anthony: Includes the Town of St. Anthony and surrounding area;  
24 and Southern Labrador Isolated System from Norman  
25 Bay to Mary's Harbour.

26

27 Wabush/Labrador City: Includes Wabush and Labrador City.