

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".

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.

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July 12, 2001

	<u>Bad Debts</u>	<u>1995</u> <u>Revenue</u>	<u>%</u>	<u>Bad Debts</u>	<u>1996</u> <u>Revenue</u>	<u>%</u>	<u>Bad Debts</u>	<u>1997</u> <u>Revenue</u>	<u>%</u>
Total Hydro Revenue		<u>\$286,135,000</u>			<u>\$287,761,000</u>			<u>\$292,658,000</u>	
Island	\$59,000		0.0206%	\$80,000		0.0278%	\$111,000		0.0379%
Happy Valley	56,000		0.0196%	119,000		0.0414%	156,000		0.0533%
St. Anthony	15,000		0.0052%	10,000		0.0035%	14,000		0.0048%
Wabush/Labrador City	<u>5,000</u>		<u>0.0017%</u>	<u>3,000</u>		<u>0.0010%</u>	<u>2,000</u>		<u>0.0007%</u>
TOTAL	<u>\$135,000</u>		<u>0.0741%</u>	<u>\$212,000</u>		<u>0.0737%</u>	<u>\$283,000</u>		<u>0.0967%</u>

July 12, 2001

	<u>1998</u>		<u>1999</u>		<u>2000</u>
	<u>Bad Debts</u>	<u>Revenue</u>	<u>%</u>	<u>Bad Debts</u>	<u>Revenue</u>
Total Hydro Revenue		<u>\$304,196,000</u>		<u>\$316,900,000</u>	<u>\$303,192,000</u>
Island	\$142,000		0.0467%	\$71,000	\$80,000
Happy Valley	163,000		0.0536%	360,000	313,000
St. Anthony	5,000		0.0016%	48,000	11,000
Wabush/Labrador City	<u>1,000</u>		<u>0.0003%</u>	<u>3,000</u>	<u>8,000</u>
TOTAL		<u>\$311,000</u>	<u>0.1022%</u>	<u>\$482,000</u>	<u>\$412,000</u>

July 12, 2001

%

Total Hydro Revenue

Island 0.0264%

Happy Valley 0.1032%

St. Anthony 0.0036%

Wabush/Labrador City 0.0026%

TOTAL 0.1359%

F O R E C A S T 2001 AND 2002

July 12, 2001

	<u>Bad Debts</u>	<u>2001 Revenue</u>	<u>%</u>	<u>Bad Debts</u>	<u>2002 Revenue</u>	<u>%</u>
Total Hydro Revenue		<u>\$323,058,000</u>			<u>\$351,060,000</u>	
Island	\$86,000		0.0266%	\$57,000		0.0162%
Happy Valley	338,000		0.1046%	225,000		0.0641%
St. Anthony	18,000		0.0056%	12,000		0.0034%
Wabush/Labrador City	<u>9,000</u>		<u>0.0028%</u>	<u>6,000</u>		<u>0.0017%</u>
TOTAL	<u>\$450,000</u>		<u>0.1393%</u>	<u>\$300,000</u>		<u>0.0855%</u>

- 1 Q. (a) Provide the number of company vehicles by vehicle class and location for
2 each year from 1992 to 2000 and forecast for 2001 and 2002 (DWR, page
3 16, lines 5-9).
- 4 (b) Provide Hydro's replacement policy for each vehicle class.
- 5 (c) Provide the most recent analysis evaluating leasing versus purchasing of
6 vehicles.
- 7 (d) Has Hydro analyzed contracting out parts or all of its vehicle management?
8 If so, provide a copy of the relevant analysis.
- 9 A. (a) The company vehicles by class and location at year end 1992-2002 are
10 provided on Pages 2 to 12.
- 11 (b) See table below:

REPLACEMENT CRITERIA VEHICLES			
Category	Description	REPLACEMENT CRITERIA	
		Age	Other
1000	Cars/Mini-vans	5-7 yrs.	>150,000 kms, maintenance cost, condition
2000	Pick-ups/Service Vans	5-7 yrs.	>150,000 kms, maintenance cost, condition
3000	Light Trucks	6-8 yrs.	>180,000 kms, maintenance cost, condition
4000	Medium/Heavy Trucks	7-9 yrs.	>200,000 kms, maintenance cost, condition

- 12
- 13 (c) There has been no analysis completed evaluating leasing versus purchasing
14 of vehicles.
- 15 (d) Hydro has not completed a review analyzing the contracting out of its vehicle
16 management.

Hydro Vehicles by Location and Class 1992

Location	1000 Series	2000 Series	3000 Series	4000 Series	5000 Series	6000 Series
1992 Hydro Vehicles	Cars/ Mini Vans	Pickups/ Vans	Med Duty Trucks	Hvy Duty Trucks	Line Bodies	Booms and Cranes
Baie Verte			1		2	
Bay D'Espoir	7	23	1	5	1	1
Bishop's Falls	17	38	9	17	9	8
Burgeo		2		1	1	4
Cat Arm		1				2
Change Islands						
Cow Head						
Deer Lake	1	2				
English Harbour					1	
Flowers Cove					1	1
Fogo			1	1	3	2
HV/GB	2	6	2	2	1	
Harbour Breton			1			
Hermitage			1			
Hinds Lake		3				
Holyrood	3	2	1			
La Scie					1	
Lanse Au Loop						
Mary's Harbour						
Paradise River		1				
Port Saunders	1	9	5	7	10	6
Ramea						
Rocky Harbour						
Roddickton			1			
Sops Arm		1	1			
Snooks Arm		3				
Springdale		12	2		2	
St. Anthony	3	2	4		7	3
St. John's	25	14		3		
St. Lewis						
Stephenville	5	12		7	2	2
Wabush / Labrador City	2	3		1	2	2
Whitbourne	6	12	2	4	3	2
Total by Class	72	146	32	48	46	33
Hydro Vehicles Total	298					
Series 5000 - Line Bodies	46					
Series 6000 - Booms & Cranes	33					
Total Vehicles/Accessories	377					

Hydro Vehicles by Location and Class 1995

Location	1000 Series	2000 Series	3000 Series	4000 Series	5000 Series	6000 Series
1995 Hydro Vehicles	Cars/ Mini Vans	Pickups/ Vans	Med Duty Trucks	Hvy Duty Trucks	Line Bodies	Booms and Cranes
Baie Verte				1	2	
Bay D'Espoir	5	22	1	5	1	4
Bishop's Falls	16	35	8	13	11	13
Burgeo		1			1	2
Cat Arm						
Change Islands		1				
Cow Head	1	3		1		
Deer Lake						
English Harbour						
Flowers Cove						
Fogo				2	1	1
HV/GB	1	7	1	5	2	1
Harbour Breton			1		1	
Hermitage			1			
Hinds Lake		3				
Holyrood	4	3	1			
La Scie					1	
Lanse Au Loop				1		1
Mary's Harbour		1				
Paradise River						
Port Saunders	2	8	2	8	7	7
Ramea		1				
Rocky Harbour				1		
Roddickton			1			1
Sops Arm			1			
Snooks Arm		1				
Springdale		2	2	2	1	
St. Anthony	3	14	4	3	7	3
St. John's	24	10				
St. Lewis						
Stephenville	4	11		6	3	2
Wabush / Labrador City	2	3		3	2	2
Whitbourne	7	12	2	4	3	2
Total by Class	69	138	25	55	43	39
Hydro Vehicles Total	287					
Series 5000 - Line Bodies	43					
Series 6000 - Booms & Cranes	39					
Total Vehicle/Accessories	369					

Hydro Vehicles by Location and Class 1996

Location	1000 Series Cars/ Mini Vans	2000 Series Pickups/ Vans	3000 Series Med Duty Trucks	4000 Series Hvy Duty Trucks	5000 Series Line Bodies	6000 Series Booms and Cranes
1996 Hydro Vehicles						
Baie Verte				1		
Bay D'Espoir	5	23	1	6	1	3
Bishop's Falls	16	36	7	11	8	12
Burgeo		1			1	1
Cat Arm						
Change Islands						
Cow Head				1		
Deer Lake		5				
English Harbour						
Flowers Cove						
Fogo				2	2	1
HV/GB	1	7	1	4	2	2
Harbour Breton			1		1	
Hermitage			1			
Hinds Lake		4				
Holyrood	4	3	1			
La Scie					1	
Lanse Au Loop				1		1
Mary's Harbour		1				
Paradise River						
Port Saunders	2	10	1	7	6	6
Ramea		1				
Rocky Harbour				1		1
Roddickton			1			
Sops Arm			1		1	
Snooks Arm		1				
Springdale		2	2	2	2	1
St. Anthony	3	14	3	3	5	3
St. John's	17	9				
St. Lewis						
Stephenville	5	11		5	5	2
Wabush / Labrador City	1	3		2	2	2
Whitbourne	7	12	2	4	5	2
Total by Class	61	143	22	50	42	37
Hydro Vehicles Total	276					
Series 5000 - Line Bodies	42					
Series 6000 - Booms & Cranes	37					
Total Vehicles/Accessories	355					

Hydro Vehicles by Location and Class 1997

Location	1000 Series	2000 Series	3000 Series	4000 Series	5000 Series	6000 Series	To Be Auctioned after Dec. 31,1997
1997 Hydro Vehicles	Cars/ Mini Vans	Pickups/ Vans	Med Duty Trucks	Hvy Duty Trucks	Line Bodies	Booms and Cranes	
Baie Verte				1			
Bay D'Espoir	5	22	3	6	4	6	2
Bishop's Falls	15	34	6	11	6	12	7
Burgeo		1			1	1	
Cat Arm							
Change Islands							
Cow Head				1	1		
Deer Lake		5					1
English Harbour							
Flowers Cove				1	1	1	
Fogo				2	2	1	
HV/GB	1	8		4	1	2	1
Harbour Breton				1	1	1	
Hermitage			1				
Hinds Lake		4					
Holyrood	4	3	1				1
La Scie					1		
Lanse Au Loop				1		1	
Mary's Harbour		1					
Paradise River							
Port Saunders	2	11	1	6	5	7	4
Ramea		1					
Rocky Harbour			1	1			
Roddickton						1	1
Sops Arm				1	2	1	
Snooks Arm		1					
Springdale		3	1	3	2	2	1
St. Anthony	3	14	4	4	4	5	4
St. John's	16	10					
St. Lewis							
Stephenville	5	11		5	4	2	
Wabush / Labrador City	1	3		2	2	3	
Whitbourne	7	12	2	4	4	2	
Total by Class	59	144	20	54	41	48	22
Hydro Vehicles Total	277						
Series 5000 - Line Bodies	41						
Series 6000 - Booms & Cranes	48						
To Be Auctioned Dec. 1997	22						
Total Vehicles/Accessories	388						

Hydro Vehicles by Location and Class 1998

Location	1000 Series	2000 Series	3000 Series	4000 Series	5000 Series	6000 Series	To Be Auctioned after Dec. 31,1998
1998 Hydro Vehicles	Cars /Mini Vans	Pickups/ Vans	Med Duty Trucks	Hvy Duty Trucks	Line Bodies	Booms and Cranes	
Baie Verte				1	1		1
Bay D'Espoir	6	24	3	7	4	11	11
Bishop's Falls	13	33	5	11	3	6	6
Burgeo		1				1	
Cat Arm							
Change Islands							
Cow Head				1	1		
Deer Lake		3					1
English Harbour							
Flowers Cove				1	1	1	
Fogo				3	2	1	
HV/GB		8		3	2	2	2
Harbour Breton				1	1	1	
Hermitage			1				
Hinds Lake		3					1
Holyrood	4	4	1				
La Scie					1		
Lanse Au Loop		1		1		1	
Mary's Harbour							
Paradise River							
Port Saunders	2	10	1	6	5	7	3
Ramea		1					
Rocky Harbour			1	1			
Roddickton						1	
Sops Arm				1	2	1	
Snooks Arm		1					
Springdale		3	1	4	3	2	1
St. Anthony	3	14	3	3	3	6	2
St. John's	19	11					
St. Lewis							2
Stephenville	5	11		5	4	2	1
Wabush / Labrador City	2	3		2	1	2	
Whitbourne	6	11	1	4	4	2	5
Total by Class	60	142	17	55	38	47	36
Hydro Vehicles Total	274						
Series 5000 - Line Bodies	38						
Series 6000 - Booms & Cranes	47						
To Be Auction Dec. 31,1998	36						
Total Vehicles/Accessories	395						

Hydro Vehicles by Location and Class 2001

LOCATION	1000 SERIES	2000 SERIES	3000 SERIES	4000 SERIES
	CARS / MINI VANS	PICKUPS / VANS	MED DUTY TRUCKS	HVY DUTY TRUCKS
Hydro 2001 vehicles				
Avalon Upgrade Project	1	6		
Baie Verte				1
Bay D'espoir	6	16	2	7
Bishop's Falls	18	36	2	11
Burgeo				1
Cat Arm		3		
Change Islands		1		
Cow Head				2
Deer Lake	1	4		
East Coast Microwave Project		1		
English Harbour				1
Flowers Cove		1		3
Fogo			1	2
Granite Canal Project		6		
Happy Valley / Goose Bay	2	10		4
Harbour Breton			1	
Hermitage			1	
Hinds Lake		3		
Holyrood	4	3	1	
La Scie				1
Lanse au Loop		1		2
Marys Harbour		1		1
Paradise River		1		
Port Saunders	3	8	1	1
Ramea				1
Rocky Harbour				1
Roddickton			1	
Sops Arm				1
Springdale		3	1	4
St Anthony		11	2	4
St Lewis		1		
St Johns	19	11		
Stephenville	3	10		4
Wabush / Labrador City	1	4		2
Whitbourne	3	11		4
Woody Point			1	
TOTAL BY CLASS	61	152	14	58
HYDRO VEHICLES TOTAL	285			
Series 5000 - Line Bodies	43			
Series 6000 - Booms & Cranes	70			
Total Vehicles/Accessories	398			

5000 SERIES	6000 SERIES
Line Bodies	Booms & Cranes
4	9
5	12
2	2
1	1
1	1
1	2
3	4
1	1
1	1
1	3
6	8
2	2
1	2
1	1
3	4
3	7
3	5
2	2
2	3
43	70

1 Q. Provide copies of Hydro's corporate operating budget document for each of
2 the years 1992 to 2001.

3

4 A. Enclosed are copies of Hydro's corporate budget document for each of the
5 years 1992 to 2001.

6

7 *The attached pages were omitted from the original document for 1993.*

- 1 Q. Provide the calculation used to derive the 5.9% RSP adjustment forecast for
2 2002 (DWO, page 2, line 31).
3
- 4 A. Please see response to CA-54 for a more detailed explanation re: 5.9% RSP
5 forecast for 2002.

- 1 Q. (a) Provide details of the CF(L)Co Share Purchased Debt (JCR,
2 Schedule VIII). Include the derivation of the \$25,609,000 for 2002.
3
4 (b) Provide the amortization and repayment schedule for (a).
5
6 A. (a) Please see schedule below.

Description	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
WACC Monthly Rate	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	
Opening Balance	27,283	26,793	26,300	29,832	29,357	28,879	28,447	27,964	27,478	27,037	26,546	26,051	
Activity 1st:													
CFL Divs to Province	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1st Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
Activity 7th:													
Preferred Dividends	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Total 7th Activity	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Activity 15th:													
Total 15th Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
Activity 30th:													
CFL Divs to Province	-	-	(4,907)	-	-	(1,200)	-	-	(1,200)	-	-	(1,200)	(8,507)
Guarantee fee	-	-	(273)	-	-	-	-	-	-	-	-	-	(273)
Common Dividends	-	-	1,152	-	-	1,152	-	-	1,152	-	-	1,152	4,607
Total 30th Activity	-	-	(4,028)	-	-	(48)	-	-	(48)	-	-	(48)	(4,173)
Budget Interest	160	157	154	175	172	169	167	164	161	158	155	153	1,946
Closing Balance	26,793	26,300	29,832	29,357	28,879	28,447	27,964	27,478	27,037	26,546	26,051	25,602	

Average Balance Cfco Share Purchase Debt 27,176

This Dividend relates to 2001 results

Note: The monthly rate is applied to the opening monthly balance and is prorated based on days in the month to days in the year.
The rate is lower than the annual rate of 7.4% to reflect the impact of monthly compounding.

- 1 (b) As per a 1995 resolution of Hydro's Board of Directors, Hydro repays
2 \$1 million annually on the outstanding principal balance.

- 1 Q. (a) Provide details of the CF(L)Co Share Purchased Debt (JCR,
2 Schedule VIII). Include the derivation of the \$25,609,000 for 2002.
3
4 (b) Provide the amortization and repayment schedule for (a).
5
6 A. (a) Please see schedule below.

Description	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
WACC Monthly Rate	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	
Opening Balance	27,283	26,793	26,300	29,832	29,357	28,879	28,447	27,964	27,478	27,037	26,546	26,051	
Activity 1st:													
CFL Divs to Province	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1st Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
Activity 7th:													
Preferred Dividends	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Total 7th Activity	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Activity 15th:													
Total 15th Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
Activity 30th:													
CFL Divs to Province	-	-	(4,907)	-	-	(1,200)	-	-	(1,200)	-	-	(1,200)	(8,507)
Guarantee fee	-	-	(273)	-	-	-	-	-	-	-	-	-	(273)
Common Dividends	-	-	1,152	-	-	1,152	-	-	1,152	-	-	1,152	4,607
Total 30th Activity	-	-	(4,028)	-	-	(48)	-	-	(48)	-	-	(48)	(4,173)
Budget Interest	160	157	154	175	172	169	167	164	161	158	155	153	1,946
Closing Balance	26,793	26,300	29,832	29,357	28,879	28,447	27,964	27,478	27,037	26,546	26,051	25,602	

Average Balance Cfco Share Purchase Debt 27,176

This Dividend relates to 2001 results

Note: The monthly rate is applied to the opening monthly balance and is prorated based on days in the month to days in the year.
The rate is lower than the annual rate of 7.4% to reflect the impact of monthly compounding.

- 1 (b) As per a 1995 resolution of Hydro's Board of Directors, Hydro repays
2 \$1 million annually on the outstanding principal balance.

- 1 Q. Provide details of the calculation of the \$6,301,000 Interest on Sinking Fund
2 Assets for 2002 (JCR, Schedule IX).
3
4 A. Please see response to NP-86.

- 1 Q. Provide a comparison of budget and actual capital expenditures for the
2 period 1992 to 2000 by class of assets.
3
4
5 A. See attached schedules, which provide a comparison of budget and actual
6 capital expenditures.

1 Q. For the budget item identified below, provide the following information:

2

3	Budget Item	Amount	Description
4	B-9	\$697,000	Replace Halon 1301 Fire Protection
5			Systems for Generation System

6

7 Provide a copy of Hydro's Strategic Plan for Phase-Out and Replacement of
8 Halons.

9

10

11 A. Copy attached.

1 Q. (a) Provide the capacity factors for each year for the time period 1992 to
 2 2000 and forecasts for 2001 and 2002 on each of Hydro's hydraulic and
 3 thermal plants (including gas turbines and diesels) on the Island (in the
 4 format of Exhibit JAB-1, page 93 of 94, Schedule 4.3).

5
 6 (b) Provide the island interconnected system capacity factor for each of
 7 these years.

8
 9
 10 A. (a) The net capacity factors for all Island Interconnected System
 11 generating plants are provided on the attached sheets. Data from a
 12 plant for the year it was connected to the system was excluded from
 13 the total.

14
 15 (b) The Island Interconnected System capacity factors are in the following
 16 table. Data from a plant for the year it was connected to the system
 17 was excluded from the total.

Island Interconnected System NET				
Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
1992	5,926,373,147	1,464	8,784	46.09%
1993	5,998,219,216	1,466	8,760	46.71%
1994	5,821,774,061	1,470	8,760	45.21%
1995	5,926,288,933	1,474	8,760	45.90%
1996	5,977,960,323	1,476	8,784	46.11%
1997	6,160,964,555	1,491	8,760	47.17%
1998	5,526,096,944	1,491	8,760	42.31%
1999	5,722,589,566	1,491	8,760	43.82%
2000	5,986,096,447	1,486	8,784	45.86%
2001 Forecast	6,246,741,110	1,486	8,760	47.99%
2002 Forecast	6,434,088,000	1,486	8,760	49.43%
Average	5,975,199,300	1,480	8,767	46.05%

**Newfoundland & Labrador Hydro
Capacity Factors**

Line No.	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
Bay Despair NET					
1	1992	2,613,023,747	580	8,784	51.29%
2	1993	2,814,689,877	582	8,760	55.21%
3	1994	3,282,273,338	586	8,760	63.94%
4	1995	2,587,721,679	590	8,760	50.07%
5	1996	2,785,871,835	592	8,784	53.57%
6	1997	2,845,782,777	592	8,760	54.88%
7	1998	2,609,236,542	592	8,760	50.31%
8	1999	3,088,238,874	592	8,760	59.55%
9	2000	3,115,048,699	592	8,784	59.90%
10	2001 Forecast	2,598,000,000	592	8,760	50.10%
11	2002 Forecast	2,598,000,000	592	8,760	50.10%
12	Average	2,812,535,215	589	8,767	54.44%
Hinds Lake NET					
13	1992	308,069,400	75	8,784	46.76%
14	1993	354,162,600	75	8,760	53.91%
15	1994	459,039,460	75	8,760	69.87%
16	1995	402,552,500	75	8,760	61.27%
17	1996	352,272,400	75	8,784	53.47%
18	1997	407,475,600	75	8,760	62.02%
19	1998	408,690,300	75	8,760	62.21%
20	1999	345,717,400	75	8,760	52.62%
21	2000	387,975,200	75	8,784	58.89%
22	2001 Forecast	340,000,000	75	8,760	51.75%
23	2002 Forecast	340,000,000	75	8,760	51.75%
24	Average	373,268,624	75	8,767	56.77%
Upper Salmon NET					
25	1992	558,649,600	84	8,784	75.71%
26	1993	551,711,100	84	8,760	74.98%
27	1994	658,440,200	84	8,760	89.48%
28	1995	552,100,600	84	8,760	75.03%
29	1996	597,657,300	84	8,784	81.00%
30	1997	599,077,900	84	8,760	81.41%
31	1998	553,898,400	84	8,760	75.27%
32	1999	649,086,200	84	8,760	88.21%
33	2000	636,938,500	84	8,784	86.32%
34	2001 Forecast	552,000,000	84	8,760	75.02%
35	2002 Forecast	552,000,000	84	8,760	75.02%
36	Average	587,414,527	84	8,767	79.77%

**Newfoundland & Labrador Hydro
Capacity Factors**

	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
Cat Arm NET					
37	1992	704,510,400	127	8,784	63.15%
38	1993	666,888,200	127	8,760	59.94%
39	1994	602,861,400	127	8,760	54.19%
40	1995	808,451,400	127	8,760	72.67%
41	1996	793,196,800	127	8,784	71.10%
42	1997	734,915,200	127	8,760	66.06%
43	1998	650,412,900	127	8,760	58.46%
44	1999	674,854,100	127	8,760	60.66%
45	2000	836,766,400	127	8,784	75.01%
46	2001 Forecast	735,000,000	127	8,760	66.07%
47	2002 Forecast	735,000,000	127	8,760	66.07%
48	Average	722,077,891	127	8,767	64.86%
Paradise River NET					
49	1992	30,637,520	8	8,784	43.60%
50	1993	45,086,890	8	8,760	64.34%
51	1994	34,388,570	8	8,760	49.07%
52	1995	35,452,810	8	8,760	50.59%
53	1996	36,885,220	8	8,784	52.49%
54	1997	34,758,580	8	8,760	49.60%
55	1998	32,005,510	8	8,760	45.67%
56	1999	37,971,130	8	8,760	54.18%
57	2000	36,441,220	8	8,784	51.86%
58	2001 Forecast	39,370,000	8	8,760	56.18%
59	2002 Forecast	39,370,000	8	8,760	56.18%
60	Average	36,578,859	8	8,767	52.16%
Snook's Arm					
61	1992	3,865,320	0.56	8,784	78.58%
62	1993	3,571,290	0.56	8,760	72.80%
63	1994	4,016,700	0.56	8,760	81.88%
64	1995	3,567,690	0.56	8,760	72.73%
65	1996	4,394,160	0.56	8,784	89.33%
66	1997	3,868,290	0.56	8,760	78.85%
67	1998	4,033,170	0.56	8,760	82.22%
68	1999	2,981,640	0.56	8,760	60.78%
69	2000	1,661,760	0.56	8,784	33.78%
70	2001 Forecast	3,675,000	0.56	8,760	74.91%
71	2002 Forecast	3,675,000	0.56	8,760	74.91%
72	Average	3,573,638	0.56	8,767	72.79%

**Newfoundland & Labrador Hydro
Capacity Factors**

	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
Venam's Bight					
73	1992	2,827,140	0.36	8,784	89.40%
74	1993	2,921,520	0.36	8,760	92.64%
75	1994	2,564,340	0.36	8,760	81.31%
76	1995	2,571,420	0.36	8,760	81.54%
77	1996	2,921,400	0.36	8,784	92.38%
78	1997	2,816,580	0.36	8,760	89.31%
79	1998	2,900,520	0.36	8,760	91.97%
80	1999	2,592,900	0.36	8,760	82.22%
81	2000	1,151,040	0.36	8,784	36.40%
82	2001 Forecast	2,575,000	0.36	8,760	81.65%
83	2002 Forecast	2,575,000	0.36	8,760	81.65%
84	Average	2,583,351	0.36	8,767	81.86%
Roddickton Mini Hydro NET					
85	1992	N/A			
86	1993	N/A			
87	1994	N/A			
88	1995	N/A			
89	1996	377,490	0.40	2,928	32.23%
90	1997	804,048	0.40	8,760	22.95%
91	1998	1,348,514	0.40	8,760	38.48%
92	1999	1,111,690	0.40	8,760	31.73%
93	2000	731,940	0.40	8,784	20.83%
94	2001 Forecast	1,050,000	0.40	8,760	29.97%
95	2002 Forecast	1,050,000	0.40	8,760	29.97%
96	Average	1,016,032	0.40	8,764	28.98%
THERMAL Holyrood NET					
97	1992	1,706,212,840	466	8,784	41.68%
98	1993	1,558,883,340	466	8,760	38.19%
99	1994	776,894,400	466	8,760	19.03%
100	1995	1,533,078,080	466	8,760	37.56%
101	1996	1,403,596,120	466	8,784	34.29%
102	1997	1,531,300,920	466	8,760	37.51%
103	1998	1,263,264,060	466	8,760	30.95%
104	1999	919,801,520	466	8,760	22.53%
105	2000	970,283,280	466	8,784	23.70%
106	2001 Forecast	1,971,340,000	466	8,760	48.29%
107	2002 Forecast	2,157,880,000	466	8,760	52.86%
108	Average	1,435,684,960	466.00	8,767	35.14%

N/A: Not Applicable

**Newfoundland & Labrador Hydro
Capacity Factors**

	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
109	Hardwoods GAS TURBINE NET				
110	1992	(1,353,360)	54	8,784	-0.29%
111	1993	(347,061)	54	8,760	-0.07%
112	1994	920,893	54	8,760	0.19%
113	1995	245,812	54	8,760	0.05%
114	1996	286,028	54	8,784	0.06%
115	1997	(44,408)	54	8,760	-0.01%
116	1998	(204,270)	54	8,760	-0.04%
117	1999	(214,544)	54	8,760	-0.05%
118	2000	(662,432)	54	8,784	-0.14%
119	2001 Forecast	1,590,000	54	8,760	0.34%
120	2002 Forecast	2,240,000	54	8,760	0.47%
	Average	223,333	54.00	8,767	0.05%
121	Stephenville GAS TURBINE Net				
122	1992	(476,460)	54	8,784	-0.10%
123	1993	327,360	54	8,760	0.07%
124	1994	(211,440)	54	8,760	-0.04%
125	1995	(177,058)	54	8,760	-0.04%
126	1996	24,060	54	8,784	0.01%
127	1997	(510,480)	54	8,760	-0.11%
128	1998	(598,860)	54	8,760	-0.13%
129	1999	(253,200)	54	8,760	-0.05%
130	2000	(553,460)	54	8,784	-0.12%
131	2001 Forecast	1,200,000	54	8,760	0.25%
132	2002 Forecast	1,200,000	54	8,760	0.25%
	Average	(2,685)	54.00	8,767	0.00%
133	Holyrood GAS TURBINE				
134	1992	215,000	10	8,784	0.24%
135	1993	156,100	10	8,760	0.18%
136	1994	471,000	10	8,760	0.54%
137	1995	124,000	10	8,760	0.14%
138	1996	255,000	10	8,784	0.29%
139	1997	189,000	10	8,760	0.22%
140	1998	248,000	10	8,760	0.28%
141	1999	296,000	10	8,760	0.34%
142	2000	124,000	10	8,784	0.14%
143	2001 Forecast	440,000	10	8,760	0.50%
144	2002 Forecast	750,000	10	8,760	0.86%
	Average	297,100	10.00	8,767	0.34%

**Newfoundland & Labrador Hydro
Capacity Factors**

	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
145	St. Anthony Diesel GROSS				
146	1992	N/A			
147	1993	N/A			
148	1994	N/A			
149	1995	N/A			
150	1996	1,051,700	8.00	2,928	4.49%
151	1997	257,398	8.00	8,760	0.37%
152	1998	395,200	8.00	8,760	0.56%
153	1999	216,000	8.00	8,760	0.31%
154	2000	139,200	8.00	8,784	0.20%
155	2001 Forecast	204,000	8.00	8,760	0.29%
156	2002 Forecast	204,000	8.00	8,760	0.29%
	Average	235,966	8.00	8,764	0.34%
157	Hawkes Bay Diesel GROSS				
158	1992	192,000	5	8,784	0.44%
159	1993	168,000	5	8,760	0.38%
160	1994	115,200	5	8,760	0.26%
161	1995	600,000	5	8,760	1.37%
162	1996	600,000	5	8,784	1.37%
163	1997	129,600	5	8,760	0.30%
164	1998	115,888	5	8,760	0.26%
165	1999	170,056	5	8,760	0.39%
166	2000	51,100	5	8,784	0.12%
167	2001 Forecast	120,000	5	8,760	0.27%
168	2002 Forecast	120,000	5	8,760	0.27%
	Average	216,531	5	8,767	0.49%
169	Roddickton Diesel GROSS				
170	1992	N/A			
171	1993	N/A			
172	1994	N/A			
173	1995	N/A			
174	1996	180,960	2.00	2,928	3.09%
175	1997	66,000	2.00	8,760	0.38%
176	1998	122,400	2.00	8,760	0.70%
177	1999	19,800	2.00	8,760	0.11%
178	2000	0	1.70	8,784	0.00%
179	2001 Forecast	24,000	1.70	8,760	0.16%
180	2002 Forecast	24,000	1.70	8,760	0.16%
	Average	42,700	1.85	8,764	0.26%

N/A: Not Applicable

**Newfoundland & Labrador Hydro
Capacity Factors**

Roddickton Woodchip NET					
181	Year	Net Production	Net Capacity	Net Production	Net Capacity
182		(kWh)	(MW)	Hours	Factor
183	1992	N/A			
184	1993	N/A			
185	1994	N/A			
186	1995	N/A			
187	1996	631,860	4.60	2,928	4.69%
188	1997	(437,232)	4.60	8,760	-1.09%
189	1998	(259,852)	4.60	8,760	-0.64%
190	1999	(410,481)	4.60	8,760	-1.02%
	2000				
	Average	(348,542)	4.60	8,760	-0.86%

N/A: Not Applicable

- 1 Q. Provide the following for IOCC:
2
3 (a) revenue by year for 1992-2000 and forecast for 2001 and 2002;
4
5 (b) margin by year for 1992-2000 and forecast for 2001 and 2002;
6
7 (c) cost by year for 1992-2000 and forecast for 2001 and 2002;
8
9 (d) a reconciliation of the \$5,700,000 regulated basis margin (DWO, page
10 7, line 13) with the \$9,610,000 margin (JCR, Schedule I).
11
- 12 A. (a) As the Public Utilities Act does not apply to the supply of power by
13 Hydro to IOCC (see the Churchill Falls (Labrador) Corporation Limited
14 (Lease) Act, 1961, S.N. No. 51, as amended, section 7) the
15 information requested will not be provided. Non-regulated matters are
16 not necessary for the understanding of the issues to be considered in
17 this proceeding nor are they relevant.
18
- 19 (b) See (a) above
20
- 21 (c) See (a) above

1	(d)	Regulated margin				
2						
3		Ratebase	1,236,162	x 15.27%	x 3%	5,662,858
4		Rural Assets	134,308	x 0.00%		0
5		Equity return on mid-year balance of:				
6		CWIP	111,973	x 15.27%	x 3%	512,948
7		RSP	92,584	x 15.27%	x 3%	424,127
8						
9		IOCC revenue adjustment				2,374,909
10						
11		Excess of assets over total capital structure ¹				
12		(1,575,028 - 1,566,450)		x 83.18	x 8.345%	595,431
13		Differences due to timing of cash flows				<u>39,727</u>
14		Margin, JCR, Schedule I (rounded)				<u>9,610,000</u>

15

16 ¹ Assets exceed total capital structure due to 13-month averages

17 being used for fuel and supplies, and a lead lag study to determine

18 working capital requirements, rather than simple balance sheet

19 averages.

- 1 Q. Hydro's 2000 Annual Report, page 10 indicates that the "digital radio
2 technology will provide opportunities for the generation of non-traditional
3 revenue for the company with the sale of any excess bandwidth to outside
4 parties":
- 5 a) Identify the other parties that are anticipated to use the system.
6 b) How much revenue has been provided in the test year from this
7 source?
8 c) How have the rates charged been established?
9 d) How has the cost of service been determined and has such been
10 allocated to non-regulated operations?
11 e) Have the costs and revenues been included in the revenue requirement
12 calculation in JCR Schedule 1? If so, provide details in the form of JCR
13 Schedule 1.
14 f) What percentage of the capacity of the system is used by Hydro?
15 g) What percentage of the capacity of the system is used by other
16 parties?
17 h) What percentage of the capacity of the system is spare (i.e. not
18 currently used by Hydro or other parties)?
19 i) What percentage of the capacity of the system is anticipated to be used
20 by other parties in the future?
21 j) Provide any other instances where Hydro is generating non-traditional
22 revenue and how the revenue and associated expenses are treated for
23 regulatory purposes.
24
- 25 A. a) Several local telco and cable companies as well as NP have expressed
26 interest in using any excess bandwidth available. No firm commitments
27 have been made, as the East Coast Microwave infrastructure will not
28 be completed until December 2001.

- 1 b) No revenue has been provided in the test year from this source.
- 2 c) No rates have been established.
- 3 d) Not applicable based on response to parts (a), (b) and (c).
- 4 e) The operating costs have been included in JCR schedule 1 (refer to
- 5 NP-118 (b) p. 2 of 2.
- 6 f) Hydro will initially use 33% of the capacity of the main transport
- 7 backbone infrastructure and 50% of the capacity on the low capacity
- 8 drops to terminal/generating stations and area offices. As Hydro's
- 9 requirements increase, Hydro's use of the capacity will increase.
- 10 g) No capacity will be used by other parties when the system goes into
- 11 service in December 2001.
- 12 h) Sixty-six percent (66%) of the capacity will be spare when the system
- 13 goes into service in December 2001. Of the main transport backbones
- 14 infrastructure and 50% of the capacity and low capacity drops to
- 15 terminal/generating stations and area offices.
- 16 i) The percentage of the capacity of the system that is anticipated to be
- 17 used by others in the future is estimated at this time, to be 33%. It
- 18 should be noted that the capacity and the infrastructure to support the
- 19 capacity are not directly related. The same infrastructure is required
- 20 whether Hydro uses 33% or 100% of the capacity of the system, as the
- 21 additional multiplexing equipment which is required to add additional
- 22 capacity is not a large component of the overall cost.
- 23 j) Hydro generates revenue from the joint-use and/or rental of excess
- 24 capacity of poles, microwave and VHF systems, and buildings. Such
- 25 revenues are treated as expense credits and reduce the revenue
- 26 requirement from ratepayers.

1 Q. Treat the \$26.2 million subsidy as a component of return on equity rather
2 than an allocation of the deficit between classes of customers and
3 recalculate return on equity as a percentage from 1992 to 2000 and forecast
4 for 2001 and 2002.

5

6

7 A. As requested, the attached schedule shows the calculation of return on
8 equity if a \$26.2 million subsidy were treated as a component of return on
9 equity.

1 Q. RE: p. B-26 Upgrade – TL 227 – (69 kV Berry Hill – Daniel’s Harbour)
2 (\$496,000)

3

4 18.1 Response to Information Request PUB 28.3, 2001 Capital Budget,
5 indicated that to September 30, 2000 there had been no momentary
6 and no sustained outages during 2000 on TL227. How many outages
7 occurred between September 30 and December 31, 2000? Can all of
8 these be directly attributed to damage due to salt contamination?

9

10 18.2 When the 2001 Capital Budget was presented to the Board, it was
11 indicated that there were no future commitments with regard to this
12 line. When was it determined that a total of 25 km. of line required
13 upgrading? By whom was the determination made? What was the
14 rationale for this additional upgrade? If a written report was produced,
15 provide a copy.

16

17 18.3 What are the plans of the company with regard to the remaining 60
18 km. of line?

19

20 A. 18.1 There were no outages on TL 227 from September 30 to December
21 31, 2000.

22

23 18.2 It was determined in January 2001 that a total of 25 km of line
24 required upgrading. The determination was made by Operations
25 personnel in consultation with Engineering. The rationale for this
26 additional upgrade is based on the findings of a more detailed
27 investigation of TL 227 which was carried out in preparation of an

- 1 assessment report entitled "Northern Peninsula Upgrading
2 Recommendations - January 2001". A copy of this report is attached.
3
4 18.3 Currently, Hydro has no plans regarding the remaining 60 km of line.

1 Q. RE: p.B-52 Replace 135 kW Diesel Unit No. 266 – William’s Harbour
2 (\$11,000; Future \$288,000)

3

4 35.1 To June 30, 2001, what units are in use at William’s Harbour? What
5 are their ages, sizes, operating hours and scheduled replacement
6 dates?

7

8

9 A. 35.1 The information on the William’s Harbour plant is as follows:

10

11

William’s Harbour Diesel Plant:

Diesel Unit	KW Rating	Total Engine Hours	Unit Age	Scheduled Replacement Date
# 2057 (G1)	100	2,918	2 years	2021
# 266 (G2)	136	80,222	26 years	2003
# 290 (G3)	136	63,741	25 years	2005