

1 Q. Hamilton: (p.9, Table 2) Prepare a similar table, based on the assumption of
2 implementation of Hydro's proposed financial structure on January 1, 2002.

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4 A. The attached table has been prepared based on a debt/equity ratio of 60/40
5 and 11.25% return on equity. These numbers do not include any additional
6 funds from ratepayers to achieve 40% equity; nor do they incorporate
7 changes to Rural deficit area revenues or any cash flow impacts associated
8 with interest and return on rate base from those filed in Exhibit JAB-1.

NEWFOUNDLAND AND LABRADOR HYDRO
Comparison of Revenue at Existing Rates and
Rates Under Hydro's Proposed Financial Targets

	Existing Rates	Proposed Rates	Change \$	Change %
1 Newfoundland Power	\$200,369,992	\$231,754,770	\$31,384,778	15.7%
2 Industrial				
3 - Firm	45,266,225	54,530,948	9,264,723	20.5%
4 - Non-Firm	293,393	381,121	87,728	29.9%
5 - Wheeling	6,490	7,830	1,340	20.6%
6 Rural Island Interconnected	30,517,104	31,639,918	1,122,814	3.7%
7 Rural Isolated Systems				
8 Non-Government	4,500,581	4,666,055	165,474	3.7%
9 Government	680,603	816,722	136,119	20.0%
10 L'Anse au Loup	1,095,800	1,136,125	40,325	3.7%
11 Rural Labrador Interconnected				
12 Domestic	5,613,755			
13 GS 2.1 0 - 10 kW	256,118			
14 GS 2.2 10 - 100 kW	2,027,972			
15 GS 2.3 110 - 1000 kVa	2,632,106			
16 GS 2.4 Over 1000 kVA	1,244,216			
17 Street & Area Lighting	140,495			
18 Rural Labrador Interconnected Total	<u>\$11,914,662</u>	<u>\$11,017,000</u>	<u>(\$897,662)</u>	-7.5%
19 CFB Goose Bay - Secondary	<u>2,991,483</u>	<u>2,991,483</u>	<u>-</u>	
20 Total	<u><u>\$297,636,333</u></u>	<u><u>\$338,941,972</u></u>	<u><u>\$41,305,639</u></u>	13.9%

Note:

The above results do not incorporate any change to flow-through impacts for Rural rate classes related to the change in Newfoundland Power's costs from those filed.