

1 Q. Provide the 2002 Forecast Cost of Service assuming that the three
2 generating sources referred to in Budgell's evidence page 10, lines 1 B 4 are
3 in service. Use the 2004 forecasted load for the Island Interconnected
4 System.

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7 A. Attached are revised pages of Hydro's Five-Year Plan. The revisions to the
8 plan include:

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- 10 • The date on the Cover was updated to September 10, 2001.
- 11
- 12 • The forth last bullet list item in the Executive Summary was revised to
13 reflect the current revenue projection for 2001, i.e. \$335 million (\$337
14 million in the prior Plan).
- 15
- 16 • The Industrial rate after the RSP adjustment presented in Table 8 on
17 page 14 was revised from 35.6 mills to 33.9 mills for 2001.
- 18
- 19 • The Income Statement (page 16) for 2001 was revised to reflect the
20 combined \$11.5 million RSP recovery (previously \$13.8 million) and
21 the corresponding amortization of costs in the RSP.
- 22
- 23 • The Statement of Cash Flows on page 17 was corrected for 2001 to
24 show the combined effect of the plan balance net of the write-off
25 (revised from \$65.6 million to \$63.3 million) and to show the revised
26 projection for the Industrial collections (revised from \$6.1 million to
27 \$3.8 million), the end result being no incremental increase or decrease
28 in cash flows.