

1 Q. Complete the following table for each year from 1992 to 2000 and forecast for
2 2001 and 2002:

Newfoundland Hydro					
Calculation of Plant Investment and Rate Base					
1992 – 2002					
(000s)					
		Balance	Balance	Balance	Balance
		Dec. 31	Dec. 31	Dec. 31	Dec. 31
		<u>1992</u>	<u>1993</u>	<u>2001</u>
		<u>2002</u>			
<u>Plant Investment</u>					
1	Power Generation:	\$ -	\$ -	\$ -	\$ -
2	- Thermal	\$ -	\$ -	\$ -	\$ -
3	- Hydro	\$ -	\$ -	\$ -	\$ -
4	- Diesel	\$ -	\$ -	\$ -	\$ -
5	- Gas Turbine	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
6	Total	\$ -	\$ -	\$ -	\$ -
7					
8	Substations	\$ -	\$ -	\$ -	\$ -
9	Transmission	\$ -	\$ -	\$ -	\$ -
10	Distribution	\$ -	\$ -	\$ -	\$ -
11	General Properties	\$ -	\$ -	\$ -	\$ -
12	Transportation	\$ -	\$ -	\$ -	\$ -
13	Communications	\$ -	\$ -	\$ -	\$ -
14	Computer Software	\$ -	\$ -	\$ -	\$ -
15	Computer Hardware	\$ -	\$ -	\$ -	\$ -
16	Customer Contributions	\$ -	\$ -	\$ -	\$ -
17	Government Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
18					
19	Total Depreciable Plant [Line 6 + Lines 8 to17]	\$ -	\$ -	\$ -	\$ -
20					

	Non-Depreciable					
21	Land/Plant		\$ -	\$ -	\$ -	\$ -
22						
23	Total Plant	[Line 19 + Line 21]	\$ -	\$ -	\$ -	\$ -
24						
	Construction Work In					
25	Progress	[CWIP]	\$ -	\$ -	\$ -	\$ -
26						
27	Total Plant Investment	[Line 23 + Line 25]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1 A. The completed table for each year from 1992 to 2002 is attached.

NEWFOUNDLAND AND LABRADOR HYDRO
CALCULATION OF PLANT INVESTMENT and RATE BASE
1992-2002
(\$000)

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Estimate 2001</u>	<u>Forecast 2002</u>
PLANT INVESTMENT											
1 Power Generation											
2 -Thermal	185,287	189,098	192,660	193,608	194,722	199,366	199,634	177,187	177,463	181,330	182,357
3 -Hydro	705,416	707,792	710,537	713,977	715,934	716,706	717,314	717,574	718,326	719,997	724,463
4 -Diesel	37,719	36,930	41,572	44,072	45,430	48,410	50,990	52,569	53,610	62,860	65,516
5 -Gas Turbine	43,390	43,495	43,491	43,546	43,607	44,529	44,640	45,336	45,665	45,793	45,793
6 Total	971,812	977,315	988,260	995,203	999,693	1,009,011	1,012,578	992,666	995,064	1,009,980	1,018,129
7											
8 Substations	127,729	132,295	135,875	145,735	153,191	155,446	159,601	159,742	162,260	164,381	164,884
9 Transmission	205,026	207,225	214,643	221,421	232,263	233,221	237,896	239,908	262,951	282,684	297,774
10 Distribution	89,849	94,438	92,789	97,843	103,744	107,162	111,659	114,932	119,281	123,155	127,164
11 General Properties	63,550	64,513	65,170	66,881	68,405	69,448	68,460	70,687	71,246	78,363	82,749
12 Transportation	7,262	7,380	7,577	8,437	8,544	9,393	9,883	9,692	11,554	11,916	12,138
13 Communications	20,783	21,201	21,508	23,232	24,761	25,241	26,611	28,709	31,882	43,631	53,437
14 Computer Software	770	594	1,219	874	566	173	239	11,855	12,741	14,080	14,700
15 Computer Hardware	4,861	5,603	6,242	6,183	5,846	6,346	9,456	9,276	8,106	8,184	8,293
16											
17 Total Depreciable Plant	1,491,642	1,510,564	1,533,283	1,565,809	1,597,013	1,615,441	1,636,383	1,637,467	1,675,085	1,736,374	1,779,268
18											
19 Non-Depreciable Land/Plant	3,148	3,150	3,227	3,443	3,457	3,487	3,487	3,487	3,496	3,505	3,505
20											
21 Total Plant	1,494,790	1,513,714	1,536,510	1,569,252	1,600,470	1,618,928	1,639,870	1,640,954	1,678,581	1,739,879	1,782,773
22											
23 Construction Work in Progress	7,947	8,280	7,359	8,795	3,721	10,032	16,249	41,621	45,517	76,666	147,280
24											
25 Total Plant Investment	1,502,737	1,521,994	1,543,869	1,578,047	1,604,191	1,628,960	1,656,119	1,682,575	1,724,098	1,816,545	1,930,053

**NEWFOUNDLAND AND LABRADOR HYDRO
CALCULATION OF PLANT INVESTMENT and RATE BASE
1992-2002
(\$000)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Estimate 2001</u>	<u>Forecast 2002</u>
Rate Base Calculation											
26 Plant Investment Less CWIP	1,494,790	1,513,714	1,536,510	1,569,252	1,600,470	1,618,928	1,639,870	1,640,954	1,678,581	1,739,879	1,782,773
27											
28 Deduct:											
29 Accumulated Depreciation	174,195	197,302	220,935	246,112	271,995	299,901	328,458	349,883	378,732	408,741	437,630
30 Customer Contributions	7,820	8,473	10,309	10,308	10,589	10,614	11,074	11,170	12,048	12,048	12,048
31 Government Contributions	76,891	75,567	75,049	77,602	79,809	78,835	79,417	78,618	76,919	76,811	75,157
32 Add/Deduct Other Items	2,131	2,131	2,191	2,191	2,020	2,020	2,012	2,278	2,139	2,010	2,010
33	261,037	283,473	308,484	336,213	364,413	391,370	420,961	441,949	469,838	499,610	526,845
34											
35 Net Plant Investment	1,233,753	1,230,241	1,228,026	1,233,039	1,236,057	1,227,558	1,218,909	1,199,005	1,208,743	1,240,269	1,255,928
36											
37 Deferred Realized Foreign Exchange Loss (net of provision)						90,278	89,278	88,278	87,278	86,278	84,121
38 Cash Working Capital Allowance - 3%	2,418	2,476	2,521	2,424	2,494	2,375	2,682	2,940	2,947	3,211	3,096
39 Inventories	30,116	28,152	31,055	36,031	39,388	36,851	30,967	43,113	41,951	40,652	40,429
40											
41 Rate Base at Year End	1,266,287	1,260,869	1,261,602	1,271,494	1,277,939	1,357,062	1,341,836	1,333,336	1,340,919	1,370,410	1,383,574

Notes:

1. Working capital allowance of 3% of Operating, maintenance and power purchases was developed based on lead/lag study performed relative to 2001 and 2002 expenses.
2. Hydro will be using 13 month averages for inventory balances for rate base purposes, not the year-end balances requested above.