

1 Q. RE: DGH Pre-filed Testimony, p. 12, line 20

2

3 Please provide a recalculation with supporting documentation of the 2002
4 interest coverage of 1.08 referenced by DGH pre-filed testimony, page 12
5 line 20 using the revised 2002 data from October 31, 2001.

6

7 A. Please refer to the attached schedule.

NEWFOUNDLAND AND LABRADOR HYDRO
Revised 2002 Cost of Service Gross Interest Coverage
\$thousands

1	Total Interest Expense	102,706
2	Less:	
3	CF(L)Co Pool Interest	(1,911)
4	Labrador Hydro Project IDC	(3,181)
5		
6	Regulated Gross Interest	<u>97,614</u>
7		
8	Less:	
9	Rural Allocation ⁽¹⁾	(9,568)
10		
11	Gross Interest per Cost of Service	<u><u>88,046</u></u>
12	Accounting Net Income, Schedule 1A, JC Roberts, p. 1, Oct 31, 2001	7,997
13	Less IOCC Revenue Adjustment	(1,515)
14		
15	Balance for Cost of Service Gross Interest Coverage	<u><u>6,482</u></u>
16		
17	Cost of Service Gross Interest Coverage (Line 11 + Line 15) / Line 11	<u><u>1.07</u></u>
18	⁽¹⁾ Rural Allocation of Gross Interest:	
19		
20	Rural Average Net Book Value:	
21	Island Interconnected: JAB-1 Rev.2, p. 32, line 40, cols. 6-17	81,206
22	Island Isolated, JAB-1 Rev.2, p. 46, line 24, col. 2	12,022
23	Labrador Isolated, JAB-1 Rev.2, p. 58, line 24, col. 2	23,354
24	L'Anse au Loup, JAB-1 Rev.2, p. 70, line 24, col. 2	4,854
25		<u>121,436</u>
26		
27	Total Hydro Net Book Value, JAB-1 Rev.2, p. 2, col. 2, line 1	1,238,927
28		
29	Rural Percentage: Line 25 divided by Line 27	9.80%
30		
31	Regulated Gross Interest, Line 6	97,614
32		
33	Rural Allocation of Gross Interest: Line 29 multiplied by Line 31	<u><u>9,568</u></u>