

1 Q. Provide a table showing the revenues collected, the cost and the deficit for
2 each of the Island Interconnected System, the Isolated Island system and the
3 Isolated Labrador system. Provide these figures for 1992 to 2003.

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6 A. Please see attached. The values are based on the actual Cost of Service
7 study, using the methodology approved for that period.

8
9 The actual Cost of Service, which provides the deficit data, for 1996, is not
10 available. During 1996 there was an interconnection, namely the St. Anthony
11 / Roddickton system, to the Island Interconnected system. It is not possible
12 to produce a meaningful annual cost of service in light of this system being
13 included in both Isolated Systems and the Island Interconnected System at
14 different times during the year.

15
16 The Cost of Service, which provides the deficit data, for 1998, is not
17 available. During 1998 there was a complete reorganization of the
18 corporation into business units. Simultaneously, Hydro began a phased
19 implementation of a new integrated accounting system. Because the
20 recording of operating expenses by business unit was not standardized for
21 1998, it is not practical to perform the analysis required for Cost of Service
22 purposes.

23
24 The actual Cost of Service study for 2002 and the forecast Cost of Service
25 study for 2003 are now available. The attached schedule has been updated
26 with this information.

NEWFOUNDLAND & LABRADOR HYDRO
Rural Deficit

Line No.	Description	Island Interconnected			Isolated Systems			Island Isolated			Labrador Isolated		
		Revenue	Allocated Requirement	Deficit	Revenue	Allocated Requirement	Deficit	Revenue	Allocated Requirement	Deficit	Revenue	Allocated Requirement	Deficit
1	1992 Actual - Interim Methodology ⁽¹⁾	22,759,806	26,992,866	(4,233,060)	10,336,202	34,990,968	(24,654,766)						
2	1993 Actual - Interim Methodology ⁽¹⁾	23,144,932	27,157,327	(4,012,395)	10,529,103	34,541,647	(24,012,544)						
3	1994 Actual - Interim Methodology ⁽¹⁾	23,024,237	26,266,539	(3,242,302)	10,592,230	35,084,936	(24,492,706)						
4	1995 Actual - Interim Methodology ⁽¹⁾	22,480,907	26,975,613	(4,494,706)	10,581,635	35,503,599	(24,921,964)						
5	1997 Actual - Interim Methodology	27,881,005	35,318,727	(7,437,722)				1,398,993	5,836,760	(4,437,767)	3,197,451	13,642,170	(10,444,719)
6	1999 Actual - Interim Methodology	29,374,716	35,133,283	(5,758,567)				1,314,310	6,910,571	(5,596,261)	3,502,724	13,185,650	(9,682,926)
7	2000 Actual - Interim Methodology	30,156,707	36,906,803	(6,750,096)				1,214,414	7,606,486	(6,392,072)	3,638,587	15,763,041	(12,124,454)
8	2001 Actual - Interim Methodology	28,874,802	40,947,341	(12,072,539)				1,161,096	7,849,665	(6,688,569)	3,905,682	18,157,079	(14,251,397)
9	2002 Actual ⁽³⁾	31,072,394	52,347,377	(21,274,983)				1,313,476	9,089,162	(7,775,686)	4,342,919	18,831,644	(14,488,725)
10	2003 Forecast ⁽³⁾	32,321,501	54,278,804	(21,957,303)				1,510,419	8,267,314	(6,756,895)	5,332,833	19,378,913	(14,046,080)

Note 1: Isolated systems were combined in this Cost of Service study.

Note 2: 1st Revision is to update response for 2002 Actual and 2003 Forecast data, not previously available.

Note 3: Implementation of the current methodology in 2002 makes comparison with the deficit for previous years difficult.