

1 Q. Please provide, in table format, financing costs for the new Rate Stabilization
2 Plan for 2002 to projected 2005 assuming the balance in the account was to
3 be recovered over a five year period versus a two year period?
4

5

6 A. Please see attached. The only new plan balance being recovered over the
7 period 2002-2005 is the projected plan balance for the sixteen months
8 ending December 31, 2003, and the attached values reflect only that plan.
9 The 2002 financing costs are the actual costs reported in the actual RSP to
10 December 31, 2002. It should be noted that the attached table reflects
11 calendar year financing charges, rather than recovery years, which begin in
12 July rather than January for Newfoundland Power. Therefore, under both
13 assumptions Newfoundland Power will incur the same financing charges
14 from plan inception to July 2004.

**Newfoundland and Labrador Hydro
Forecast 2002/03 Rate Stabilization Plan ("New Plan")
Financing Charges**

| Two-Year Write off | 2002 | 2003 | 2004 | 2005 | Total |
|---------------------------|---------|-----------|-----------|-----------|------------|
| Newfoundland Power | 111,545 | 2,543,264 | 4,072,168 | 2,492,550 | 9,219,527 |
| Industrial Customers | 34,326 | 818,971 | 1,096,014 | 441,205 | 2,390,516 |
| Total | 145,871 | 3,362,235 | 5,168,182 | 2,933,755 | 11,610,043 |

| Five-Year Write off | 2002 | 2003 | 2004 | 2005 | Total |
|----------------------------|---------|-----------|-----------|-----------|------------|
| Newfoundland Power | 111,545 | 2,543,264 | 4,172,430 | 3,756,516 | 10,583,755 |
| Industrial Customers | 34,326 | 818,971 | 1,288,503 | 1,103,443 | 3,245,243 |
| Total | 145,871 | 3,362,235 | 5,460,933 | 4,859,959 | 13,828,998 |