

1 Q. Provide the Forecast Cost of Service and the actual Cost of Service for  
2 Hydro for each of 1995, 1996, 1997, 1998, 1999, 2000, 2001 and 2002.

3

4

5 A. The following Cost of Service studies are attached:

6

7 (a) 2002 Test Year Final Cost of Service, previously filed with the Board  
8 at the conclusion of Hydro's 2001 rate application as Schedule G  
9 August 2002; and

10

11 (b) 2001 Actual Cost of Service.

12

13 Hydro will also file the 2002 Actual Cost of Service, as soon as it is available.

14

15 The remaining Cost of Service studies requested are not relevant and are not  
16 necessary to understand the matters to be considered in this proceeding  
17 concerning Hydro's application.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Total System**  
**Revenue Requirement**

|          | 1                                 | 2                 | 3                          | 4                    | 5                      | 6                   | 7                            | 8                     |
|----------|-----------------------------------|-------------------|----------------------------|----------------------|------------------------|---------------------|------------------------------|-----------------------|
| Line No. | Description                       | Total Amount (\$) | Island Interconnected (\$) | Island Isolated (\$) | Labrador Isolated (\$) | L'Anse au Loup (\$) | Labrador Interconnected (\$) | Basis of Proration    |
|          | Revenue Requirement               |                   |                            |                      |                        |                     |                              |                       |
|          | Expenses                          |                   |                            |                      |                        |                     |                              |                       |
| 1        | Operating, Maintenance and Admin. | 87,721,155        | 67,976,826                 | 5,131,651            | 9,267,223              | 1,078,168           | 4,267,286                    | Detailed Analysis     |
| 2        | Fuels - No. 6 Fuel                | 81,662,072        | 81,662,072                 | -                    | -                      | -                   | -                            | Detailed Analysis     |
| 3        | Fuels - Diesel                    | 6,508,006         | 38,580                     | 1,448,005            | 4,931,373              | 81,564              | 8,484                        | Detailed Analysis     |
| 4        | Fuels - Gas Turbine               | 445,993           | 351,252                    | -                    | -                      | -                   | 94,741                       |                       |
| 5        | Power Purchases -CF(L)Co          | 2,583,013         | -                          | -                    | -                      | -                   | 2,583,013                    | Detailed Analysis     |
| 6        | Power Purchases - Other           | 12,516,875        | 11,772,644                 | -                    | -                      | 625,131             | 119,100                      | Detailed Analysis     |
| 7        | Depreciation                      | 31,389,898        | 25,649,271                 | 853,991              | 1,972,526              | 374,272             | 2,539,839                    | Detailed Analysis     |
|          | Expense Credits:                  |                   |                            |                      |                        |                     |                              |                       |
| 8        | Sundry                            | (444,000)         | (344,064)                  | (25,974)             | (46,906)               | (5,457)             | (21,599)                     | Total O&M Expenses    |
| 9        | Building Rental Income            | (17,524)          | (4,000)                    | -                    | -                      | -                   | (13,524)                     | Detailed Analysis     |
| 10       | Tax Refunds                       | -                 | -                          | -                    | -                      | -                   | -                            | Total O&M Expenses    |
| 11       | Suppliers' Discounts              | (54,232)          | (42,025)                   | (3,173)              | (5,729)                | (667)               | (2,638)                      | Total O&M Expenses    |
| 12       | Pole Attachments                  | (468,042)         | (471,791)                  | (14,359)             | (23,963)               | (21,629)            | 63,700                       | Detailed Analysis     |
| 13       | Secondary Energy Revenues         | -                 | -                          | -                    | -                      | -                   | -                            | Island Interconnected |
| 14       | Wheeling Revenues                 | -                 | 0                          | -                    | -                      | -                   | -                            | Island Interconnected |
| 15       | Application Fees                  | (51,065)          | (23,000)                   | (988)                | (4,233)                | (636)               | (22,208)                     | Detailed Analysis     |
| 16       | Total Expense Credits             | (1,034,863)       | (884,880)                  | (44,493)             | (80,831)               | (28,389)            | 3,731                        |                       |
| 17       | Subtotal Expenses                 | 221,792,149       | 186,565,765                | 7,389,154            | 16,090,290             | 2,130,746           | 9,616,194                    |                       |
| 18       | Disposal Gain/Loss                | 890,070           | 874,978                    | 39,698               | 8,378                  | -                   | (32,984)                     | Detailed Analysis     |
| 19       | Subtotal Rev Req Excl Return      | 222,682,219       | 187,440,743                | 7,428,852            | 16,098,668             | 2,130,746           | 9,583,210                    |                       |
| 20       | Return on Debt                    | 90,350,125        | 83,978,036                 | 842,708              | 1,809,757              | 354,612             | 3,365,013                    | Rate Base             |
| 21       | Return on Equity                  | 5,918,126         | 5,659,122                  | -                    | -                      | -                   | 259,003                      | Rate Base             |
| 22       | Total Revenue Requirement         | 318,950,470       | 277,077,901                | 8,271,560            | 17,908,426             | 2,485,358           | 13,207,226                   |                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Total System**  
**Return on Rate Base**

| Line No                                   | 1                                                            | 2                     | 3                              | 4                        | 5                          | 6                       | 7                                | 8                                                |
|-------------------------------------------|--------------------------------------------------------------|-----------------------|--------------------------------|--------------------------|----------------------------|-------------------------|----------------------------------|--------------------------------------------------|
|                                           |                                                              | Total<br>\$           | Island<br>Interconnected<br>\$ | Island<br>Isolated<br>\$ | Labrador<br>Isolated<br>\$ | L'Anse au<br>Loup<br>\$ | Labrador<br>Interconnected<br>\$ | Basis of Proration                               |
| <b>Rate Base:</b>                         |                                                              |                       |                                |                          |                            |                         |                                  |                                                  |
| 1                                         | Average Net Book Value                                       | 1,235,888,250         | 1,150,048,318                  | 11,453,301               | 23,314,259                 | 4,841,030               | 46,231,341                       | Schedule 2.3                                     |
| 2                                         | Cash Working Capital                                         | 2,942,000             | 2,737,660                      | 27,264                   | 55,499                     | 11,524                  | 110,053                          | Prorated on Average Net Book Value - L. 1        |
| 3                                         | Fuel Inventory - No. 6 Fuel                                  | 11,121,620            | 11,121,620                     | -                        | -                          | -                       | -                                | Specifically Assigned - Holyrood                 |
| 4                                         | Fuel Inventory - Diesel                                      | 1,976,940             | 32,473                         | 181,865                  | 1,714,196                  | 23,734                  | 24,672                           | Detailed Fuel Analysis                           |
| 5                                         | Fuel Inventory - Gas Turbine                                 | 843,582               | 745,666                        | -                        | -                          | -                       | 97,916                           | Detailed Fuel Analysis                           |
| 6                                         | Inventory/Supplies                                           | 21,095,000            | 19,248,342                     | 224,231                  | 532,174                    | 124,133                 | 966,121                          | Prorated on Total Plant in Service, Schedule 2.2 |
| 7                                         | Deferred Charges: Foreign Exchange Loss and Regulatory Costs | 85,703,000            | 79,750,407                     | 794,232                  | 1,616,733                  | 335,703                 | 3,205,925                        | Prorated on Average Net Book Value - L. 1        |
| 8                                         | <b>Total Rate Base</b>                                       | <b>1,359,570,392</b>  | <b>1,263,684,486</b>           | <b>12,680,894</b>        | <b>27,232,861</b>          | <b>5,336,123</b>        | <b>50,636,028</b>                |                                                  |
| 9                                         | Less: Rural Portion                                          | (202,556,592)         | (157,306,714)                  | (12,680,894)             | (27,232,861)               | (5,336,123)             | -                                | Schedule 2.6, L. 9                               |
| 10                                        | <b>Rate Base Available for Equity Return</b>                 | <b>1,157,013,800</b>  | <b>1,106,377,772</b>           | <b>-</b>                 | <b>-</b>                   | <b>-</b>                | <b>50,636,028</b>                |                                                  |
| <b>Corporate Targets:</b>                 |                                                              |                       |                                |                          |                            |                         |                                  |                                                  |
| 11                                        | Capital Structure: Percent of Debt                           | 81.38% <sup>(1)</sup> |                                |                          |                            |                         |                                  |                                                  |
| 12                                        | Return                                                       | 8.166%                |                                |                          |                            |                         |                                  |                                                  |
| 13                                        | Weighted Average Return: Debt                                | 6.645%                |                                |                          |                            |                         |                                  |                                                  |
| 14                                        | Capital Structure: Percent of Equity                         | 17.05% <sup>(1)</sup> |                                |                          |                            |                         |                                  |                                                  |
| 15                                        | Return                                                       | 3.000%                |                                |                          |                            |                         |                                  |                                                  |
| 16                                        | Weighted Average Return: Equity                              | 0.512%                |                                |                          |                            |                         |                                  |                                                  |
| 17                                        | Weighted Average Cost of Capital                             | 7.157%                |                                |                          |                            |                         |                                  |                                                  |
| <b>Return on Rate Base by System (%):</b> |                                                              |                       |                                |                          |                            |                         |                                  |                                                  |
| 18                                        | Return on Rate Base - Debt Component                         | -                     | 6.645%                         | 6.645%                   | 6.645%                     | 6.645%                  | 6.645%                           |                                                  |
| 19                                        | Return on Rate Base - Equity Component                       | -                     | 0.512%                         | -                        | -                          | -                       | 0.512%                           |                                                  |
| <b>Return on Rate Base (\$):</b>          |                                                              |                       |                                |                          |                            |                         |                                  |                                                  |
| 20                                        | Return on Debt                                               | 90,350,125            | 83,978,036                     | 842,708                  | 1,809,757                  | 354,612                 | 3,365,013                        | Schedule 2.6, L.11                               |
| 21                                        | Return on Equity                                             | 5,918,126             | 5,659,122                      | -                        | -                          | -                       | 259,003                          | Schedule 2.6, L.12                               |
| 22                                        | <b>Return on Rate Base (\$)</b>                              | <b>96,268,251</b>     | <b>89,637,159</b>              | <b>842,708</b>           | <b>1,809,757</b>           | <b>354,612</b>          | <b>3,624,016</b>                 | Schedule 2.6, L.13                               |
| <b>Return on Total Rate Base (%):</b>     |                                                              |                       |                                |                          |                            |                         |                                  |                                                  |
| 23                                        | Return on Rate Base - Debt Component                         | 6.645%                | 6.645%                         | 6.645%                   | 6.645%                     | 6.645%                  | 6.645%                           | L. 20 divided by L.8                             |
| 24                                        | Return on Rate Base - Equity Component                       | 0.435%                | 0.448%                         | -                        | -                          | -                       | 0.512%                           | L. 21 divided by L.8                             |
| 25                                        | <b>Return on Rate Base (%)</b>                               | <b>7.081%</b>         | <b>7.093%</b>                  | <b>6.645%</b>            | <b>6.645%</b>              | <b>6.645%</b>           | <b>7.157%</b>                    | L. 22 divided by L.8                             |

<sup>(1)</sup> Debt and equity weightings reflect a 1.57% component for Employee Future Benefits at 0% cost.

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

**Total System**

**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                   | 1<br>Rate Class               | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credits<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|----------------------------|-------------------------------|-----------------------|---------------------------------------------------------------------------------|---------------------------------|----------------------|------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Total System</b>        |                               |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 1                          | Newfoundland Power            | 214,791,439           | 181,285,790                                                                     | (235,493)                       | 33,754,247           | 214,804,544                                                                        | 1.18                                             |
| 2                          | Island Industrial             | 46,823,519            | 46,520,853                                                                      | 299,497                         | -                    | 46,820,350                                                                         | 1.01                                             |
| 3                          | Labrador Industrial           | 2,913,731             | 2,913,731                                                                       | -                               | -                    | 2,913,731                                                                          | 1.00                                             |
| 4                          | CFB - Goose Bay Secondary     | 3,980,020             | 164,847                                                                         | 3,735,037                       | 80,136               | 3,980,020                                                                          | 24.14                                            |
| 5                          | Rural Labrador Interconnected | 11,317,456            | 10,128,648                                                                      | (3,735,037)                     | 4,923,750            | 11,317,361                                                                         | 1.12                                             |
| <b>Rural Deficit Areas</b> |                               |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 6                          | Island Interconnected         | 31,600,253            | 49,271,259                                                                      | (64,004)                        | (17,607,002)         | 31,600,253                                                                         | 0.64                                             |
| 7                          | Island Isolated               | 1,531,383             | 8,271,560                                                                       | -                               | (6,740,177)          | 1,531,383                                                                          | 0.19                                             |
| 8                          | Labrador Isolated             | 4,848,126             | 17,908,426                                                                      | -                               | (13,060,300)         | 4,848,126                                                                          | 0.27                                             |
| 9                          | L'Anse au Loup                | 1,134,702             | 2,485,358                                                                       | -                               | (1,350,656)          | 1,134,702                                                                          | 0.46                                             |
| 10                         | <b>Subtotal</b>               | <b>39,114,464</b>     | <b>77,936,602</b>                                                               | <b>(64,004)</b>                 | <b>(38,758,134)</b>  | <b>39,114,464</b>                                                                  | <b>0.50</b>                                      |
| 11                         | <b>Total</b>                  | <b>318,940,628</b>    | <b>318,950,470</b>                                                              | <b>-</b>                        | <b>-</b>             | <b>318,950,470</b>                                                                 | <b>1.00</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                     | 1<br>Rate Class                    | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>Allocation<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|------------------------------|------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Island Interconnected</b> |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                            | Newfoundland Power                 | 214,791,439           | 181,285,790                                                                     | (235,493)                      |                                    |                                                                                                   |                                                  |
| 2                            | NLP RSP Activity                   | -                     |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 3                            | <b>Subtotal Newfoundland Power</b> | <b>214,791,439</b>    | <b>181,285,790</b>                                                              | <b>(235,493)</b>               | <b>33,754,247</b>                  | <b>214,804,544</b>                                                                                | <b>1.18</b>                                      |
| 4                            | Industrial - Firm                  | 46,197,175            | 46,254,091                                                                      | (60,085)                       |                                    | 46,194,006                                                                                        |                                                  |
| 5                            | Industrial - Non-Firm              | 626,344               | 266,762                                                                         | 359,582                        |                                    | 626,344                                                                                           |                                                  |
| 6                            | Industrial RSP Activity            | -                     |                                                                                 |                                |                                    | -                                                                                                 |                                                  |
| 7                            | <b>Subtotal Industrial</b>         | <b>46,823,519</b>     | <b>46,520,853</b>                                                               | <b>299,497</b>                 | <b>-</b>                           | <b>46,820,350</b>                                                                                 | <b>1.01</b>                                      |
| <b>Rural</b>                 |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 8                            | 1.1 Domestic                       | 9,916,067             | 16,414,926                                                                      | (21,323)                       | (6,477,536)                        | 9,916,067                                                                                         | 0.60                                             |
| 9                            | 1.12 Domestic All Electric         | 9,000,912             | 17,594,838                                                                      | (22,856)                       | (8,571,070)                        | 9,000,912                                                                                         | 0.51                                             |
| 10                           | 1.3 Special                        | 10,163                | 27,590                                                                          | (36)                           | (17,391)                           | 10,163                                                                                            | 0.37                                             |
| 11                           | 2.1 General Service 0-10 kW        | 1,873,923             | 2,382,938                                                                       | (3,095)                        | (505,920)                          | 1,873,923                                                                                         | 0.79                                             |
| 12                           | 2.2 General Service 10-100 kW      | 4,845,599             | 5,728,808                                                                       | (7,442)                        | (875,767)                          | 4,845,599                                                                                         | 0.85                                             |
| 13                           | 2.3 General Service 110-1,000 kVa  | 3,170,896             | 3,327,055                                                                       | (4,322)                        | (151,837)                          | 3,170,896                                                                                         | 0.95                                             |
| 14                           | 2.4 General Service Over 1,000 kVa | 2,004,544             | 3,011,916                                                                       | (3,913)                        | (1,003,459)                        | 2,004,544                                                                                         | 0.67                                             |
| 15                           | 4.1 Street and Area Lighting       | 778,149               | 783,189                                                                         | (1,017)                        | (4,022)                            | 778,149                                                                                           | 0.99                                             |
| 16                           | <b>Subtotal Rural</b>              | <b>31,600,253</b>     | <b>49,271,259</b>                                                               | <b>(64,004)</b>                | <b>(17,607,002)</b>                | <b>31,600,253</b>                                                                                 | <b>0.64</b>                                      |
| 17                           | <b>Total Island Interconnected</b> | <b>293,215,211</b>    | <b>277,077,901</b>                                                              | <b>-</b>                       | <b>16,147,246</b>                  | <b>293,225,147</b>                                                                                | <b>1.06</b>                                      |

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit

Island Industrial Non-Firm Revenues, Ln 5, Col 2

626,344

Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3

(266,762)

Credit to be allocated to Firm Customers

359,582

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No. | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|----------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
|          | <b>Island Isolated</b>              |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1        | 1.2 Domestic Diesel                 | 750,283               | 6,122,944                                                                       |                                | (5,372,661)          | 750,283                                                                                           | 0.12                                             |
| 2        | 1.2G Government Domestic Diesel     | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 3        | 1.23 Churches, Schools & Com Halls  | 73,076                | 360,927                                                                         |                                | (287,851)            | 73,076                                                                                            | 0.20                                             |
| 4        | 2.2 GS 10-100 kW                    | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 5        | 2.3 GS 110-1,000 kVa                | 44,949                | 253,732                                                                         |                                | (208,783)            | 44,949                                                                                            | 0.18                                             |
| 6        | 2.5 GS Diesel                       | 208,415               | 899,628                                                                         |                                | (691,213)            | 208,415                                                                                           | 0.23                                             |
| 7        | 2.5G Gov't General Service Diesel   | 416,294               | 513,165                                                                         |                                | (96,871)             | 416,294                                                                                           | 0.81                                             |
| 8        | 4.1 Street and Area Lighting        | 33,825                | 115,157                                                                         |                                | (81,332)             | 33,825                                                                                            | 0.29                                             |
| 9        | 4.1G Gov't Street and Area Lighting | 4,541                 | 6,006                                                                           |                                | (1,465)              | 4,541                                                                                             | 0.76                                             |
| 10       | <b>Total</b>                        | <b>1,531,383</b>      | <b>8,271,560</b>                                                                |                                | <b>(6,740,177)</b>   | <b>1,531,383</b>                                                                                  | <b>0.19</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line<br>No.              | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|--------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Labrador Isolated</b> |                                     |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1                        | 1.2 Domestic Diesel                 | 1,850,927             | 10,170,091                                                                      |                                | (8,319,164)          | 1,850,927                                                                                         | 0.18                                             |
| 2                        | 1.2G Government Domestic Diesel     | 266,077               | 266,097                                                                         |                                | (20)                 | 266,077                                                                                           | 1.00                                             |
| 3                        | 1.23 Churches, Schools & Com Halls  | 211,620               | 751,959                                                                         |                                | (540,339)            | 211,620                                                                                           | 0.28                                             |
| 4                        | 2.2 GS 10-100 kW                    | 45,885                | 526,621                                                                         |                                | (480,736)            | 45,885                                                                                            | 0.09                                             |
| 5                        | 2.3 GS 110-1,000 kVa                | 303,735               | 1,577,738                                                                       |                                | (1,274,003)          | 303,735                                                                                           | 0.19                                             |
| 6                        | 2.5 GS Diesel                       | 1,371,324             | 3,822,400                                                                       |                                | (2,451,076)          | 1,371,324                                                                                         | 0.36                                             |
| 7                        | 2.5G Gov't General Service Diesel   | 727,915               | 630,910                                                                         |                                | 97,005               | 727,915                                                                                           | 1.15                                             |
| 8                        | 4.1 Street and Area Lighting        | 64,843                | 158,277                                                                         |                                | (93,434)             | 64,843                                                                                            | 0.41                                             |
| 9                        | 4.1G Gov't Street and Area Lighting | 5,800                 | 4,333                                                                           |                                | 1,467                | 5,800                                                                                             | 1.34                                             |
| 10                       | <b>Total</b>                        | <b>4,848,126</b>      | <b>17,908,426</b>                                                               |                                | <b>(13,060,300)</b>  | <b>4,848,126</b>                                                                                  | <b>0.27</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**L'Anse au Loup**  
**Comparison of Revenue & Allocated Revenue Requirement**

|          | 1                                 | 2         | 3                                                            | 4              | 5           | 6                                                                           | 7                                  |
|----------|-----------------------------------|-----------|--------------------------------------------------------------|----------------|-------------|-----------------------------------------------------------------------------|------------------------------------|
| Line No. | Rate Class                        | Revenues  | Cost of Service Before Deficit and Revenue Credit Allocation | Revenue Credit | Deficit     | Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5) | Revenue to Cost Coverage (Col.2/3) |
|          |                                   | (\$)      | (\$)                                                         | (\$)           | (\$)        | (\$)                                                                        |                                    |
|          | L'Anse au Loup                    |           |                                                              |                |             |                                                                             |                                    |
| 1        | 1.1 Domestic                      | 633,735   | 1,628,773                                                    |                | (995,038)   | 633,735                                                                     | 0.39                               |
| 2        | 1.12 Domestic All Electric        | 28,469    | 86,251                                                       |                | (57,782)    | 28,469                                                                      | 0.33                               |
| 3        | 2.1 General Service 0-10 kW       | 148,067   | 275,169                                                      |                | (127,102)   | 148,067                                                                     | 0.54                               |
| 4        | 2.2 General Service 10-100 kW     | 220,059   | 397,574                                                      |                | (177,515)   | 220,059                                                                     | 0.55                               |
| 5        | 2.3 General Service 110-1,000 kVa | 68,600    | 53,240                                                       |                | 15,360      | 68,600                                                                      | 1.29                               |
| 6        | 4.1 Street and Area Lighting      | 35,772    | 44,351                                                       |                | (8,579)     | 35,772                                                                      | 0.81                               |
| 7        | Total L'Anse Au Loup              | 1,134,702 | 2,485,358                                                    |                | (1,350,656) | 1,134,702                                                                   | 0.46                               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                       | 1<br>Rate Class                      | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>Allocation<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|--------------------------------|--------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Labrador Interconnected</b> |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                              | Industrial IOCC Firm                 | 2,902,161             | 2,902,161                                                                       | -                              | -                                  | 2,902,161                                                                                         | 1.00                                             |
| 2                              | Industrial IOCC Non-Firm             | 11,570                | 11,570                                                                          | -                              | -                                  | 11,570                                                                                            | 1.00                                             |
| 3                              | <b>Subtotal Industrial</b>           | <b>2,913,731</b>      | <b>2,913,731</b>                                                                | <b>-</b>                       | <b>-</b>                           | <b>2,913,731</b>                                                                                  | <b>1.00</b>                                      |
| 4                              | <b>CFB - Goose Bay Secondary</b>     | 3,980,020             | 164,847                                                                         | 3,735,037                      | 80,136                             | 3,980,020                                                                                         | 24.14                                            |
| <b>Rural</b>                   |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 5                              | 1.1 Domestic                         | 190,355               | 306,228                                                                         | (112,924)                      | 148,864                            | 342,167                                                                                           | 0.62                                             |
| 6                              | 1.1A Domestic All Electric           | 5,576,577             | 7,292,313                                                                       | (2,689,111)                    | 3,544,948                          | 8,148,150                                                                                         | 0.76                                             |
| 7                              | 2.1 General Service 0-10 kW          | 215,236               | 246,390                                                                         | (90,859)                       | 119,775                            | 275,307                                                                                           | 0.87                                             |
| 8                              | 2.2 General Service 10-100 kW        | 1,839,836             | 926,045                                                                         | (341,488)                      | 450,170                            | 1,034,727                                                                                         | 1.99                                             |
| 9                              | 2.3 General Service 110-1,000 kVa    | 2,280,106             | 869,656                                                                         | (320,694)                      | 422,758                            | 971,721                                                                                           | 2.62                                             |
| 10                             | 2.4 General Service Over 1,000 kVa   | 1,052,653             | 361,441                                                                         | (133,285)                      | 175,704                            | 403,860                                                                                           | 2.91                                             |
| 11                             | 4.1 Street and Area Lighting         | 162,693               | 126,575                                                                         | (46,676)                       | 61,531                             | 141,431                                                                                           | 1.29                                             |
| 12                             | <b>Subtotal Rural</b>                | <b>11,317,456</b>     | <b>10,128,648</b>                                                               | <b>(3,735,037)</b>             | <b>4,923,750</b>                   | <b>11,317,361</b>                                                                                 | <b>1.12</b>                                      |
| 13                             | <b>Total Labrador Interconnected</b> | <b>18,211,207</b>     | <b>13,207,226</b>                                                               | <b>(0)</b>                     | <b>5,003,886</b>                   | <b>18,211,112</b>                                                                                 | <b>1.38</b>                                      |

**Note1:**

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2

3,980,020

CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3

(164,847)

CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5

(80,136)

Credit to be allocated to Firm Regulated Customers

3,735,037

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Total System**  
**Rural Deficit Allocation**

| Line No. | 1                                            | 2                                            | 3                 | 4                  | 5                      | 6                    |
|----------|----------------------------------------------|----------------------------------------------|-------------------|--------------------|------------------------|----------------------|
|          | Rate Class                                   | Allocated Revenue Req't (\$)                 | Demand (\$)       | Energy (\$)        | Customer (\$)          | Source               |
|          |                                              | Before Deficit and Revenue Credit Allocation |                   |                    |                        |                      |
|          | CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS: |                                              |                   |                    |                        |                      |
| 1        | Newfoundland Power                           | 181,285,790                                  | 72,028,597        | 107,228,353        | 2,028,840              | Schedule 1.3.1, p. 1 |
| 2        | CFB - Goose Bay Secondary                    | 164,847                                      | -                 | 164,135            | 713                    | Schedule 1.3.1, p. 5 |
| 3        | Rural Labrador Interconnected                | 10,128,648                                   | 6,948,306         | 859,540            | 2,320,802              | Schedule 1.3.1, p. 5 |
| 4        | <b>Total</b>                                 | <b>191,579,285</b>                           | <b>78,976,903</b> | <b>108,252,027</b> | <b>4,350,354</b>       |                      |
| 5        | Deficit Classified                           | 38,758,134                                   | 15,977,705        | 21,900,314         | 880,114                | Prorated on Line 4   |
|          | UNIT COSTS OF DEFICIT:                       |                                              | CP kW             | MWH                | Customers *            |                      |
|          | Island Interconnected:                       |                                              |                   |                    |                        |                      |
| 6        | Newfoundland Power                           |                                              | 956,604           | 4,626,329          | 6,595                  |                      |
| 7        | <b>Subtotal Island Interconnected</b>        |                                              | <b>956,604</b>    | <b>4,626,329</b>   | <b>6,595</b>           |                      |
|          | Labrador Interconnected:                     |                                              |                   |                    |                        |                      |
| 8        | CFB - Goose Bay Secondary                    |                                              | 0                 | 105,435            | 3                      |                      |
| 9        | Rural Labrador Interconnected                |                                              | 119,179           | 552,140            | 9,015                  |                      |
| 10       | <b>Subtotal Labrador Interconnected</b>      |                                              | <b>119,179</b>    | <b>657,575</b>     | <b>9,018</b>           |                      |
| 11       | <b>Total</b>                                 |                                              | <b>1,075,784</b>  | <b>5,283,904</b>   | <b>15,613</b>          |                      |
| 12       | Deficit Unit Costs                           |                                              | \$14.85<br>\$/KW  | \$4.14<br>\$/MWH   | \$56.37<br>\$/Customer | Line 5 / Line 11     |

\* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:  
 Island Interconnected: \$307.64  
 Labrador Interconnected: \$257.44

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Total System**  
**Rural Deficit Allocation**

| Line No.               | 1                       | 2                            | 3           | 4           | 5             | 6                 |
|------------------------|-------------------------|------------------------------|-------------|-------------|---------------|-------------------|
|                        |                         | Deficit Allocation           |             |             |               |                   |
|                        | Rate Class              | Allocated Revenue Req't (\$) | Demand (\$) | Energy (\$) | Customer (\$) | Source            |
| ALLOCATION OF DEFICIT: |                         |                              |             |             |               |                   |
| 13                     | Island Interconnected   | 33,754,247                   | 14,207,637  | 19,174,848  | 371,763       | Line 7 x Line 12  |
| 14                     | Labrador Interconnected | 5,003,886                    | 1,770,069   | 2,725,466   | 508,351       | Line 10 x Line 12 |
| 15                     | Allocated Totals        | 38,758,134                   | 15,977,705  | 21,900,314  | 880,114       |                   |

CUSTOMER DEFICIT ALLOCATION:

|                          |                                  |                   |
|--------------------------|----------------------------------|-------------------|
| Island Interconnected:   |                                  |                   |
| 16                       | Newfoundland Power               | 33,754,247        |
| 17                       | Sub-Total Island Interconnected  | 33,754,247        |
| Labrador Interconnected: |                                  |                   |
| 18                       | CFB - Goose Bay Secondary        | 80,136            |
| 19                       | Rural Labrador Interconnected    | 4,923,750         |
| 20                       | Subtotal Labrador Interconnected | 5,003,886         |
| 21                       | <b>Total</b>                     | <b>38,758,134</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                         | 2                                            | 3                      | 4                  | 5                                         | 6                     | 7                                           | 8                      | 9                  | 10                                        | 11                    |
|-------------|------------------------------------|----------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|
|             |                                    | Before Deficit and Revenue Credit Allocation |                        |                    |                                           |                       | After Deficit and Revenue Credit Allocation |                        |                    |                                           |                       |
|             |                                    | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |
|             | <b>Island Interconnected</b>       |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| 1           | Newfoundland Power                 | -                                            | 0.01606                | 0.02391            | 0.03997                                   | 169,069.98            | -                                           | 0.01903                | 0.02833            | 0.04736                                   | 200,330.09            |
| 2           | Industrial - Firm                  | 6.00                                         | -                      | 0.02391            | -                                         | 7,630.48              | 5.99                                        | -                      | 0.02388            | -                                         | 7,620.57              |
| 3           | Industrial - Non-Firm              | -                                            | -                      | 0.02391            | -                                         | -                     | -                                           | -                      | 0.05613            | -                                         | -                     |
|             | Rural                              |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| 4           | 1.1 Domestic                       | -                                            | 0.09344                | 0.02654            | 0.11998                                   | 24.11                 | -                                           | -                      | -                  | -                                         | -                     |
| 5           | 1.12 Domestic All Electric         | -                                            | 0.11592                | 0.02654            | 0.14246                                   | 24.11                 | -                                           | -                      | -                  | -                                         | -                     |
| 6           | 1.3 Special                        | -                                            | 0.09624                | 0.02654            | 0.12278                                   | 24.11                 | -                                           | -                      | -                  | -                                         | -                     |
| 7           | 2.1 General Service 0-10 kW        | -                                            | 0.08488                | 0.02654            | 0.11142                                   | 27.04                 | -                                           | -                      | -                  | -                                         | -                     |
| 8           | 2.2 General Service 10-100 kW      | 20.40                                        | -                      | 0.02654            | -                                         | 44.84                 | -                                           | -                      | -                  | -                                         | -                     |
| 9           | 2.3 General Service 110-1,000 kVa  | 13.57                                        | -                      | 0.02640            | -                                         | 45.37                 | -                                           | -                      | -                  | -                                         | -                     |
| 10          | 2.4 General Service Over 1,000 kVa | 23.81                                        | -                      | 0.02620            | -                                         | 41.38                 | -                                           | -                      | -                  | -                                         | -                     |
| 11          | 4.1 Street and Area Lighting       | -                                            | 0.09880                | 0.02654            | 0.12535                                   | 34.84                 | -                                           | -                      | -                  | -                                         | -                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Unit Demand, Energy & Customer Amounts**

|          | 1                                   | 2                                            | 3                   | 4               | 5                        | 6                  | 7                                           | 8                   | 9               | 10                       | 11                 |
|----------|-------------------------------------|----------------------------------------------|---------------------|-----------------|--------------------------|--------------------|---------------------------------------------|---------------------|-----------------|--------------------------|--------------------|
|          | Rate Class                          | Before Deficit and Revenue Credit Allocation |                     |                 |                          |                    | After Deficit and Revenue Credit Allocation |                     |                 |                          |                    |
| Line No. |                                     | Demand                                       |                     |                 | Non-Demand               |                    | Demand                                      |                     |                 | Non-Demand               |                    |
|          |                                     | Demand (\$/kW)                               | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) | Demand (\$/kW)                              | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) |
|          | Island Isolated                     |                                              |                     |                 |                          |                    |                                             |                     |                 |                          |                    |
| 1        | 1.2 Domestic Diesel                 | -                                            | 0.47676             | 0.32974         | 0.80650                  | 36.56              | -                                           | -                   | -               | -                        | -                  |
| 2        | 1.2G Government Domestic Diesel     | -                                            | -                   | -               | -                        | -                  | -                                           | -                   | -               | -                        | -                  |
| 3        | 1.23 Churches, Schools & Com Halls  | -                                            | 0.27202             | 0.32974         | 0.60176                  | 36.56              | -                                           | -                   | -               | -                        | -                  |
| 4        | 2.2 GS 10-100 kW                    | -                                            | -                   | -               | -                        | -                  | -                                           | -                   | -               | -                        | -                  |
| 5        | 2.3 GS 110-1,000 kVa                | 39.74                                        | -                   | 0.32974         | -                        | 77.98              | -                                           | -                   | -               | -                        | -                  |
| 6        | 2.5 GS Diesel                       | -                                            | 0.37264             | 0.32974         | 0.70238                  | 42.03              | -                                           | -                   | -               | -                        | -                  |
| 7        | 2.5G Gov't General Service Diesel   | -                                            | 0.37206             | 0.32974         | 0.70180                  | 42.03              | -                                           | -                   | -               | -                        | -                  |
| 8        | 4.1 Street and Area Lighting        | -                                            | 0.50553             | 0.32974         | 0.83527                  | 60.89              | -                                           | -                   | -               | -                        | -                  |
| 9        | 4.1G Gov't Street and Area Lighting | -                                            | 0.71065             | 0.32974         | 1.04039                  | 60.89              | -                                           | -                   | -               | -                        | -                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Unit Demand, Energy & Customer Amounts**

|          | 1                                   | 2                                            | 3                   | 4               | 5                        | 6                  | 7                                           | 8                   | 9               | 10                       | 11                 |
|----------|-------------------------------------|----------------------------------------------|---------------------|-----------------|--------------------------|--------------------|---------------------------------------------|---------------------|-----------------|--------------------------|--------------------|
|          | Rate Class                          | Before Deficit and Revenue Credit Allocation |                     |                 |                          |                    | After Deficit and Revenue Credit Allocation |                     |                 |                          |                    |
| Line No. |                                     | Demand                                       |                     |                 | Non-Demand               |                    | Demand                                      |                     |                 | Non-Demand               |                    |
|          |                                     | Demand (\$/kW)                               | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) | Demand (\$/kW)                              | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) |
|          | Labrador Isolated                   |                                              |                     |                 |                          |                    |                                             |                     |                 |                          |                    |
| 1        | 1.2 Domestic Diesel                 | -                                            | 0.24677             | 0.30212         | 0.54889                  | 25.91              | -                                           | -                   | -               | -                        | -                  |
| 2        | 1.2G Government Domestic Diesel     | -                                            | 0.24650             | 0.30212         | 0.54861                  | 25.91              | -                                           | -                   | -               | -                        | -                  |
| 3        | 1.23 Churches, Schools & Com Halls  | -                                            | 0.14268             | 0.30212         | 0.44480                  | 25.91              | -                                           | -                   | -               | -                        | -                  |
| 4        | 2.2 GS 10-100 kW                    | 119.21                                       | -                   | 0.30212         | -                        | 52.55              | -                                           | -                   | -               | -                        | -                  |
| 5        | 2.3 GS 110-1,000 kVa                | 20.34                                        | -                   | 0.30212         | -                        | 54.43              | -                                           | -                   | -               | -                        | -                  |
| 6        | 2.5 GS Diesel                       | -                                            | 0.19189             | 0.30212         | 0.49400                  | 29.68              | -                                           | -                   | -               | -                        | -                  |
| 7        | 2.5G Gov't General Service Diesel   | -                                            | 0.19219             | 0.30212         | 0.49431                  | 29.68              | -                                           | -                   | -               | -                        | -                  |
| 8        | 4.1 Street and Area Lighting        | -                                            | 0.26043             | 0.30212         | 0.56254                  | 46.71              | -                                           | -                   | -               | -                        | -                  |
| 9        | 4.1G Gov't Street and Area Lighting | -                                            | 0.20924             | 0.30212         | 0.51136                  | 46.71              | -                                           | -                   | -               | -                        | -                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**L'Anse au Loup**  
**Unit Demand, Energy & Customer Amounts**

|                | 1                                 | 2                                            | 3                      | 4                  | 5                                         | 6                     | 7                                           | 8                      | 9                  | 10                                        | 11                    |
|----------------|-----------------------------------|----------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|
| Line<br>No.    | Rate Class                        | Before Deficit and Revenue Credit Allocation |                        |                    |                                           |                       | After Deficit and Revenue Credit Allocation |                        |                    |                                           |                       |
|                |                                   | Demand                                       |                        | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand                                      |                        | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |
|                |                                   | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) |                    |                                           |                       | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) |                    |                                           |                       |
|                |                                   |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| L'Anse au Loup |                                   |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| 1              | 1.1 Domestic                      | -                                            | 0.12824                | 0.06033            | 0.18857                                   | 34.91                 | -                                           | -                      | -                  | -                                         | -                     |
| 2              | 1.12 Domestic All Electric        | -                                            | 0.16153                | 0.06033            | 0.22186                                   | 34.91                 | -                                           | -                      | -                  | -                                         | -                     |
| 3              | 2.1 General Service 0-10 kW       | -                                            | 0.10421                | 0.06033            | 0.16454                                   | 38.08                 | -                                           | -                      | -                  | -                                         | -                     |
| 4              | 2.2 General Service 10-100 kW     | 24.45                                        | -                      | 0.06033            | -                                         | 57.34                 | -                                           | -                      | -                  | -                                         | -                     |
| 5              | 2.3 General Service 110-1,000 kVa | 1.67                                         | -                      | 0.06033            | -                                         | 58.93                 | -                                           | -                      | -                  | -                                         | -                     |
| 6              | 4.1 Street and Area Lighting      | -                                            | 0.13856                | 0.06033            | 0.19889                                   | 49.72                 | -                                           | -                      | -                  | -                                         | -                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                         | Before Deficit and Revenue Credit Allocation |                        |                    |                                           |                       | After Deficit and Revenue Credit Allocation |                        |                    |                                           |                       |
|-------------|------------------------------------|----------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-------------------------------------------|-----------------------|
|             |                                    | Demand                                       |                        | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand                                      |                        | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |
|             |                                    | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) |                    |                                           |                       | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) |                    |                                           |                       |
|             | <b>Labrador Interconnected</b>     |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| 1           | Industrial - IOCC Firm             | 3.25                                         | -                      | 0.00178            | -                                         | 0.00                  | 3.25                                        | -                      | 0.00178            | -                                         | 0.00                  |
| 2           | Industrial - IOCC Non-Firm         | -                                            | -                      | 0.00178            | 0.00178                                   | 0.00                  | -                                           | -                      | 0.00178            | 0.00178                                   | 0.00                  |
| 3           | CFB - Goose Bay Secondary          | -                                            | -                      | 0.00179            | 0.00179                                   | 59.38                 | -                                           | -                      | 0.00266            | 0.00266                                   | 88.25                 |
|             | Rural                              |                                              |                        |                    |                                           |                       |                                             |                        |                    |                                           |                       |
| 4           | 1.1 Domestic                       | -                                            | 0.01739                | 0.00187            | 0.01926                                   | 19.63                 | -                                           | 0.01943                | 0.00209            | 0.02152                                   | 21.93                 |
| 5           | 1.1A Domestic All Electric         | -                                            | 0.02037                | 0.00186            | 0.02224                                   | 19.63                 | -                                           | 0.02277                | 0.00208            | 0.02485                                   | 21.93                 |
| 6           | Domestic                           | -                                            | 0.02029                | 0.00186            | 0.02215                                   | 19.63                 | -                                           | 0.02267                | 0.00208            | 0.02475                                   | 21.93                 |
| 7           | 2.1 General Service 0-10 kW        | -                                            | 0.01674                | 0.00187            | 0.01861                                   | 22.05                 | -                                           | 0.01870                | 0.00209            | 0.02079                                   | 24.64                 |
| 8           | 2.2 General Service 10-100 kW      | 2.64                                         | -                      | 0.00187            | -                                         | 36.80                 | 2.95                                        | -                      | 0.00209            | -                                         | 41.12                 |
| 9           | 2.3 General Service 110-1,000 kVa  | 2.18                                         | -                      | 0.00187            | -                                         | 38.01                 | 2.44                                        | -                      | 0.00209            | -                                         | 42.47                 |
| 10          | 2.4 General Service Over 1,000 kVa | 2.89                                         | -                      | 0.00179            | -                                         | 38.01                 | 3.23                                        | -                      | 0.00200            | -                                         | 42.47                 |
| 11          | 4.1 Street and Area Lighting       | -                                            | 0.01705                | 0.00187            | 0.01892                                   | 36.74                 | 0.00                                        | 0.01905                | 0.00209            | 0.02114                                   | 41.06                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Isolated Government Rate Classes**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                                 | 1                                            | 2                      | 3                  | 4                           | 5                     | 6                                           | 7                      | 8                  | 9                           | 10                    | 11 |
|-------------|--------------------------------------------|----------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|----|
|             |                                            | Before Deficit and Revenue Credit Allocation |                        |                    |                             |                       | After Deficit and Revenue Credit Allocation |                        |                    |                             |                       |    |
|             |                                            | Demand                                       |                        | Non-Demand         |                             |                       | Demand                                      |                        | Non-Demand         |                             |                       |    |
|             |                                            | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |    |
|             | <b>1.2G Government Domestic Diesel</b>     |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 1           | Island Isolated                            | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 2           | Labrador Isolated                          | -                                            | 0.24650                | 0.30212            | 0.54861                     | 25.91                 |                                             |                        |                    |                             |                       |    |
| 3           | <b>Domestic</b>                            | -                                            | <b>0.24650</b>         | <b>0.30212</b>     | <b>0.54861</b>              | <b>25.91</b>          |                                             |                        |                    |                             |                       |    |
|             | <b>2.5G Gov't General Service Diesel</b>   |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 4           | Island Isolated                            | -                                            | 0.37206                | 0.32974            | 0.70180                     | 42.03                 |                                             |                        |                    |                             |                       |    |
| 5           | Labrador Isolated                          | -                                            | 0.19219                | 0.30212            | 0.49431                     | 29.68                 |                                             |                        |                    |                             |                       |    |
| 6           | <b>General Service</b>                     | -                                            | <b>0.25834</b>         | <b>0.31227</b>     | <b>0.57062</b>              | <b>32.55</b>          |                                             |                        |                    |                             |                       |    |
|             | <b>4.1G Gov't Street and Area Lighting</b> |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 7           | Island Isolated                            | -                                            | 0.71065                | 0.32974            | 1.04039                     | 60.89                 |                                             |                        |                    |                             |                       |    |
| 8           | Labrador Isolated                          | -                                            | 0.20924                | 0.30212            | 0.51136                     | 46.71                 |                                             |                        |                    |                             |                       |    |
| 9           | <b>Street Lighting</b>                     | -                                            | <b>0.39164</b>         | <b>0.31216</b>     | <b>0.70380</b>              | <b>54.81</b>          |                                             |                        |                    |                             |                       |    |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Total Demand, Energy & Customer Amounts**

|          | 1                                  | 2                                            | 3                  | 4                  | 5                | 6                                           | 7           | 8           | 9             |
|----------|------------------------------------|----------------------------------------------|--------------------|--------------------|------------------|---------------------------------------------|-------------|-------------|---------------|
| Line No. | Rate Class                         | Before Deficit and Revenue Credit Allocation |                    |                    |                  | After Deficit and Revenue Credit Allocation |             |             |               |
|          |                                    | Total (\$)                                   | Demand (\$)        | Energy (\$)        | Customer (\$)    | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>Island Interconnected</b>       |                                              |                    |                    |                  |                                             |             |             |               |
| 1        | Newfoundland Power                 | 181,285,790                                  | 72,028,597         | 107,228,353        | 2,028,840        | 214,804,544                                 | 85,346,292  | 127,054,291 | 2,403,961     |
| 2        | Industrial - Firm                  | 46,254,091                                   | 12,684,897         | 33,202,931         | 366,263          | 46,194,006                                  | 12,668,419  | 33,159,800  | 365,787       |
| 3        | Industrial - Non-Firm              | 266,762                                      | -                  | 266,762            | -                | 626,344                                     | -           | 626,344     | -             |
|          | <b>Rural</b>                       |                                              |                    |                    |                  |                                             |             |             |               |
| 4        | 1.1 Domestic                       | 16,414,926                                   | 10,022,461         | 2,846,854          | 3,545,611        | -                                           | -           | -           | -             |
| 5        | 1.12 Domestic All Electric         | 17,594,838                                   | 12,720,082         | 2,912,462          | 1,962,294        | -                                           | -           | -           | -             |
| 6        | 1.3 Special                        | 27,590                                       | 21,172             | 5,839              | 579              | -                                           | -           | -           | -             |
| 7        | 2.1 General Service 0-10 kW        | 2,382,938                                    | 1,338,016          | 418,360            | 626,562          | -                                           | -           | -           | -             |
| 8        | 2.2 General Service 10-100 kW      | 5,728,808                                    | 3,840,103          | 1,442,111          | 446,594          | -                                           | -           | -           | -             |
| 9        | 2.3 General Service 110-1,000 kVa  | 3,327,055                                    | 2,247,476          | 1,041,470          | 38,109           | -                                           | -           | -           | -             |
| 10       | 2.4 General Service Over 1,000 kVa | 3,011,916                                    | 2,189,650          | 818,293            | 3,973            | -                                           | -           | -           | -             |
| 11       | 4.1 Street and Area Lighting       | 783,189                                      | 296,414            | 79,622             | 407,153          | -                                           | -           | -           | -             |
| 12       | <b>Subtotal Rural</b>              | <b>49,271,259</b>                            | <b>32,675,375</b>  | <b>9,565,011</b>   | <b>7,030,873</b> |                                             |             |             |               |
| 13       | <b>Total Island Interconnected</b> | <b>277,077,901</b>                           | <b>117,388,869</b> | <b>150,263,056</b> | <b>9,425,976</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Total Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                          | 1                                            | 2                | 3                | 4                | 5                                           | 6              | 7              | 8                | 9 |
|-------------|-------------------------------------|----------------------------------------------|------------------|------------------|------------------|---------------------------------------------|----------------|----------------|------------------|---|
|             |                                     | Before Deficit and Revenue Credit Allocation |                  |                  |                  | After Deficit and Revenue Credit Allocation |                |                |                  |   |
|             |                                     | Total<br>(\$)                                | Demand<br>(\$)   | Energy<br>(\$)   | Customer<br>(\$) | Total<br>(\$)                               | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |   |
|             | <b>Island Isolated</b>              |                                              |                  |                  |                  |                                             |                |                |                  |   |
| 1           | 1.2 Domestic Diesel                 | 6,122,944                                    | 3,380,734        | 2,338,174        | 404,036          | -                                           | -              | -              | -                |   |
| 2           | 1.2G Government Domestic Diesel     | -                                            | -                | -                | -                | -                                           | -              | -              | -                |   |
| 3           | 1.23 Churches, Schools & Com Halls  | 360,927                                      | 156,412          | 189,599          | 14,916           | -                                           | -              | -              | -                |   |
| 4           | 2.2 GS 10-100 kW                    | -                                            | -                | -                | -                | -                                           | -              | -              | -                |   |
| 5           | 2.3 GS 110-1,000 kVa                | 253,732                                      | 104,414          | 148,382          | 936              | -                                           | -              | -              | -                |   |
| 6           | 2.5 GS Diesel                       | 899,628                                      | 448,658          | 397,005          | 53,965           | -                                           | -              | -              | -                |   |
| 7           | 2.5G Gov't General Service Diesel   | 513,165                                      | 267,510          | 237,082          | 8,574            | -                                           | -              | -              | -                |   |
| 8           | 4.1 Street and Area Lighting        | 115,157                                      | 56,872           | 37,096           | 21,190           | -                                           | -              | -              | -                |   |
| 9           | 4.1G Gov't Street and Area Lighting | 6,006                                        | 2,106            | 977              | 2,923            | -                                           | -              | -              | -                |   |
| 10          | <b>Total Island Isolated</b>        | <b>8,271,560</b>                             | <b>4,416,706</b> | <b>3,348,315</b> | <b>506,538</b>   |                                             |                |                |                  |   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Isolated  
Total Demand, Energy & Customer Amounts

| Line<br>No. | Rate Class                          | Before Deficit and Revenue Credit Allocation |                  |                  |                  | After Deficit and Revenue Credit Allocation |                |                |                  |
|-------------|-------------------------------------|----------------------------------------------|------------------|------------------|------------------|---------------------------------------------|----------------|----------------|------------------|
|             |                                     | Total<br>(\$)                                | Demand<br>(\$)   | Energy<br>(\$)   | Customer<br>(\$) | Total<br>(\$)                               | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |
|             | <b>Labrador Isolated</b>            |                                              |                  |                  |                  |                                             |                |                |                  |
| 1           | 1.2 Domestic Diesel                 | 10,170,091                                   | 4,301,965        | 5,266,784        | 601,343          | -                                           | -              | -              | -                |
| 2           | 1.2G Government Domestic Diesel     | 266,097                                      | 116,347          | 142,599          | 7,151            | -                                           | -              | -              | -                |
| 3           | 1.23 Churches, Schools & Com Halls  | 751,959                                      | 236,429          | 500,606          | 14,925           | -                                           | -              | -              | -                |
| 4           | 2.2 GS 10-100 kW                    | 526,621                                      | 385,072          | 137,765          | 3,783            | -                                           | -              | -              | -                |
| 5           | 2.3 GS 110-1,000 kVa                | 1,577,738                                    | 552,569          | 1,019,943        | 5,225            | -                                           | -              | -              | -                |
| 6           | 2.5 GS Diesel                       | 3,822,400                                    | 1,433,988        | 2,257,711        | 130,701          | -                                           | -              | -              | -                |
| 7           | 2.5G Gov't General Service Diesel   | 630,910                                      | 237,552          | 373,415          | 19,944           | -                                           | -              | -              | -                |
| 8           | 4.1 Street and Area Lighting        | 158,277                                      | 56,405           | 65,435           | 36,437           | -                                           | -              | -              | -                |
| 9           | 4.1G Gov't Street and Area Lighting | 4,333                                        | 1,085            | 1,566            | 1,682            | -                                           | -              | -              | -                |
| 10          | <b>Total Labrador Isolated</b>      | <b>17,908,426</b>                            | <b>7,321,412</b> | <b>9,765,823</b> | <b>821,191</b>   |                                             |                |                |                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**L'Anse au Loup**  
**Total Demand, Energy & Customer Amounts**

| Line No. | Rate Class                        | Before Deficit and Revenue Credit Allocation |                  |                |                | After Deficit and Revenue Credit Allocation |             |             |               |
|----------|-----------------------------------|----------------------------------------------|------------------|----------------|----------------|---------------------------------------------|-------------|-------------|---------------|
|          |                                   | Total (\$)                                   | Demand (\$)      | Energy (\$)    | Customer (\$)  | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>L'Anse au Loup</b>             |                                              |                  |                |                |                                             |             |             |               |
| 1        | 1.1 Domestic                      | 1,628,773                                    | 902,570          | 424,601        | 301,602        | -                                           | -           | -           | -             |
| 2        | 1.12 Domestic All Electric        | 86,251                                       | 56,697           | 21,176         | 8,378          | -                                           | -           | -           | -             |
| 3        | 2.1 General Service 0-10 kW       | 275,169                                      | 130,575          | 75,593         | 69,001         | -                                           | -           | -           | -             |
| 4        | 2.2 General Service 10-100 kW     | 397,574                                      | 230,797          | 137,190        | 29,588         | -                                           | -           | -           | -             |
| 5        | 2.3 General Service 110-1,000 kVa | 53,240                                       | 9,595            | 42,231         | 1,414          | -                                           | -           | -           | -             |
| 6        | 4.1 Street and Area Lighting      | 44,351                                       | 17,181           | 7,481          | 19,689         | -                                           | -           | -           | -             |
| 7        | <b>Total L'Anse au Loup</b>       | <b>2,485,358</b>                             | <b>1,347,414</b> | <b>708,272</b> | <b>429,672</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Total Demand, Energy & Customer Amounts**

| Line No. | Rate Class                           | 1                                            | 2                | 3                | 4                | 5                                           | 6                 | 7                | 8                | 9 |
|----------|--------------------------------------|----------------------------------------------|------------------|------------------|------------------|---------------------------------------------|-------------------|------------------|------------------|---|
|          |                                      | Before Deficit and Revenue Credit Allocation |                  |                  |                  | After Deficit and Revenue Credit Allocation |                   |                  |                  |   |
|          |                                      | Total (\$)                                   | Demand (\$)      | Energy (\$)      | Customer (\$)    | Total (\$)                                  | Demand (\$)       | Energy (\$)      | Customer (\$)    |   |
|          | <b>Labrador Interconnected</b>       |                                              |                  |                  |                  |                                             |                   |                  |                  |   |
| 1        | Industrial - IOCC Firm               | 2,902,161                                    | 2,419,426        | 482,734          | -                | 2,902,161                                   | 2,419,426         | 482,734          | -                |   |
| 2        | Industrial - IOCC Non-Firm           | 11,570                                       | -                | 11,570           | -                | 11,570                                      | -                 | 11,570           | -                |   |
| 3        | CFB - Goose Bay Secondary            | 164,847                                      | -                | 164,135          | 713              | 244,983                                     | -                 | 243,924          | 1,059            |   |
|          | <b>Rural</b>                         |                                              |                  |                  |                  |                                             |                   |                  |                  |   |
| 4        | 1.1 Domestic                         | 306,228                                      | 128,509          | 13,796           | 163,923          | 342,167                                     | 143,591           | 15,415           | 183,161          |   |
| 5        | 1.1A Domestic All Electric           | 7,292,313                                    | 5,179,313        | 474,006          | 1,638,993        | 8,148,150                                   | 5,787,166         | 529,637          | 1,831,348        |   |
| 6        | <b>Subtotal Domestic</b>             | <b>7,598,541</b>                             | <b>5,307,822</b> | <b>487,802</b>   | <b>1,802,916</b> | <b>8,490,317</b>                            | <b>5,930,756</b>  | <b>545,052</b>   | <b>2,014,509</b> |   |
| 7        | 2.1 General Service 0-10 kW          | 246,390                                      | 108,686          | 12,133           | 125,571          | 275,307                                     | 121,441           | 13,557           | 140,309          |   |
| 8        | 2.2 General Service 10-100 kW        | 926,045                                      | 567,192          | 111,420          | 247,432          | 1,034,727                                   | 633,759           | 124,496          | 276,471          |   |
| 9        | 2.3 General Service 110-1,000 kVa    | 869,656                                      | 654,645          | 170,233          | 44,779           | 971,721                                     | 731,475           | 190,211          | 50,034           |   |
| 10       | 2.4 General Service Over 1,000 kVa   | 361,441                                      | 285,691          | 75,293           | 456              | 403,860                                     | 319,220           | 84,130           | 510              |   |
| 11       | 4.1 Street and Area Lighting         | 126,575                                      | 24,270           | 2,659            | 99,647           | 141,431                                     | 27,118            | 2,971            | 111,341          |   |
| 12       | <b>Subtotal Rural</b>                | <b>10,128,648</b>                            | <b>6,948,306</b> | <b>859,540</b>   | <b>2,320,802</b> | <b>11,317,361</b>                           | <b>7,763,770</b>  | <b>960,417</b>   | <b>2,593,175</b> |   |
| 13       | <b>Total Labrador Interconnected</b> | <b>13,207,226</b>                            | <b>9,367,732</b> | <b>1,517,979</b> | <b>2,321,514</b> | <b>14,476,075</b>                           | <b>10,183,196</b> | <b>1,698,645</b> | <b>2,593,175</b> |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Isolated Government Rate Classes**  
**Total Demand, Energy & Customer Amounts**

| Line No. | Rate Class                                 | Before Deficit and Revenue Credit Allocation |                |                |               | After Deficit and Revenue Credit Allocation |             |             |               |
|----------|--------------------------------------------|----------------------------------------------|----------------|----------------|---------------|---------------------------------------------|-------------|-------------|---------------|
|          |                                            | Total (\$)                                   | Demand (\$)    | Energy (\$)    | Customer (\$) | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>1.2G Government Domestic Diesel</b>     |                                              |                |                |               |                                             |             |             |               |
| 1        | Island Isolated                            | -                                            | -              | -              | -             |                                             |             |             |               |
| 2        | Labrador Isolated                          | 266,097                                      | 116,347        | 142,599        | 7,151         |                                             |             |             |               |
| 3        | <b>Subtotal Domestic</b>                   | <b>266,097</b>                               | <b>116,347</b> | <b>142,599</b> | <b>7,151</b>  |                                             |             |             |               |
|          | <b>2.5G Gov't General Service Diesel</b>   |                                              |                |                |               |                                             |             |             |               |
| 4        | Island Isolated                            | 513,165                                      | 267,510        | 237,082        | 8,574         |                                             |             |             |               |
| 5        | Labrador Isolated                          | 630,910                                      | 237,552        | 373,415        | 19,944        |                                             |             |             |               |
| 6        | <b>Subtotal General Service</b>            | <b>1,144,076</b>                             | <b>505,062</b> | <b>610,497</b> | <b>28,517</b> |                                             |             |             |               |
|          | <b>4.1G Gov't Street and Area Lighting</b> |                                              |                |                |               |                                             |             |             |               |
| 7        | Island Isolated                            | 6,006                                        | 2,106          | 977            | 2,923         |                                             |             |             |               |
| 8        | Labrador Isolated                          | 4,333                                        | 1,085          | 1,566          | 1,682         |                                             |             |             |               |
| 9        | <b>Subtotal Street Lighting</b>            | <b>10,339</b>                                | <b>3,191</b>   | <b>2,544</b>   | <b>4,604</b>  |                                             |             |             |               |
| 10       | <b>Total Government Rate Classes</b>       | <b>1,420,512</b>                             | <b>624,600</b> | <b>755,639</b> | <b>40,273</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                         | 1                          | 2                | 3                   | 4 |
|-------------|------------------------------------|----------------------------|------------------|---------------------|---|
|             |                                    |                            | Units            |                     |   |
|             |                                    | Billing<br>Demands<br>(kW) | Sales<br>(MWh)   | Bills<br>(Total No) |   |
|             | <b>Island Interconnected</b>       |                            |                  |                     |   |
| 1           | Newfoundland Power                 | -                          | 4,485,100        | 12                  |   |
| 2           | Industrial - Firm                  | 2,114,675                  | 1,388,797        | 48                  |   |
| 3           | Industrial - Non-Firm              | 75,195                     | 11,158           | -                   |   |
|             | <b>Rural</b>                       |                            |                  |                     |   |
| 4           | 1.1 Domestic                       | -                          | 107,264          | 147,072             |   |
| 5           | 1.12 Domestic All Electric         | -                          | 109,736          | 81,396              |   |
| 6           | 1.3 Special                        | -                          | 220              | 24                  |   |
| 7           | 2.1 General Service 0-10 kW        | -                          | 15,763           | 23,172              |   |
| 8           | 2.2 General Service 10-100 kW      | 188,235                    | 54,336           | 9,960               |   |
| 9           | 2.3 General Service 110-1,000 kVa  | 165,655                    | 39,444           | 840                 |   |
| 10          | 2.4 General Service Over 1,000 kVa | 91,946                     | 31,237           | 96                  |   |
| 11          | 4.1 Street and Area Lighting       | -                          | 3,000            | 11,688              |   |
| 12          | <b>Subtotal Rural</b>              | <b>445,836</b>             | <b>361,000</b>   | <b>274,248</b>      |   |
| 13          | <b>Total Island Interconnected</b> | <b>2,635,706</b>           | <b>6,246,055</b> | <b>274,308</b>      |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                          | 1 | 2                          | 3              | 4                   |
|-------------|-------------------------------------|---|----------------------------|----------------|---------------------|
|             |                                     |   | Units                      |                |                     |
|             |                                     |   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |
|             | <b>Island Isolated</b>              |   |                            |                |                     |
| 1           | 1.2 Domestic Diesel                 |   | -                          | 7,091          | 11,052              |
| 2           | 1.2G Government Domestic Diesel     |   | -                          | -              | -                   |
| 3           | 1.23 Churches, Schools & Com Halls  |   | -                          | 575            | 408                 |
| 4           | 2.2 GS 10-100 kW                    |   | -                          | -              | -                   |
| 5           | 2.3 GS 110-1,000 kVa                |   | 2,627                      | 450            | 12                  |
| 6           | 2.5 GS Diesel                       |   | -                          | 1,204          | 1,284               |
| 7           | 2.5G Gov't General Service Diesel   |   | -                          | 719            | 204                 |
| 8           | 4.1 Street and Area Lighting        |   | -                          | 113            | 348                 |
| 9           | 4.1G Gov't Street and Area Lighting |   | -                          | 3              | 48                  |
| 10          | <b>Total Island Isolated</b>        |   | <b>2,627</b>               | <b>10,154</b>  | <b>13,356</b>       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                          | 1                          | 2              | 3                   | 4 |
|-------------|-------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                     |                            | Units          |                     |   |
|             |                                     | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Labrador Isolated</b>            |                            |                |                     |   |
| 1           | 1.2 Domestic Diesel                 | -                          | 17,433         | 23,208              |   |
| 2           | 1.2G Government Domestic Diesel     | -                          | 472            | 276                 |   |
| 3           | 1.23 Churches, Schools & Com Halls  | -                          | 1,657          | 576                 |   |
| 4           | 2.2 GS 10-100 kW                    | 3,230                      | 456            | 72                  |   |
| 5           | 2.3 GS 110-1,000 kVa                | 27,167                     | 3,376          | 96                  |   |
| 6           | 2.5 GS Diesel                       | -                          | 7,473          | 4,404               |   |
| 7           | 2.5G Gov't General Service Diesel   | -                          | 1,236          | 672                 |   |
| 8           | 4.1 Street and Area Lighting        | -                          | 217            | 780                 |   |
| 9           | 4.1G Gov't Street and Area Lighting | -                          | 5              | 36                  |   |
| 10          | <b>Total Labrador Isolated</b>      | <b>30,397</b>              | <b>32,325</b>  | <b>30,120</b>       |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**L'Anse au Loup**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                        | 1                          | 2              | 3                   | 4 |
|-------------|-----------------------------------|----------------------------|----------------|---------------------|---|
|             |                                   |                            | Units          |                     |   |
|             |                                   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>L'Anse au Loup</b>             |                            |                |                     |   |
| 1           | 1.1 Domestic                      | -                          | 7,038          | 8,640               |   |
| 2           | 1.12 Domestic All Electric        | -                          | 351            | 240                 |   |
| 3           | 2.1 General Service 0-10 kW       | -                          | 1,253          | 1,812               |   |
| 4           | 2.2 General Service 10-100 kW     | 9,441                      | 2,274          | 516                 |   |
| 5           | 2.3 General Service 110-1,000 kVa | 5,745                      | 700            | 24                  |   |
| 6           | 4.1 Street and Area Lighting      | -                          | 124            | 396                 |   |
| 7           | <b>Total L'Anse au Loup</b>       | <b>15,185</b>              | <b>11,740</b>  | <b>11,628</b>       |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                           | 1                          | 2              | 3                   | 4 |
|-------------|--------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                      |                            | Units          |                     |   |
|             |                                      | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Labrador Interconnected</b>       |                            |                |                     |   |
| 1           | Industrial - IOCC Firm               | 744,000                    | 271,200        | 12                  |   |
| 2           | Industrial - IOCC Non-Firm           | -                          | 6,500          |                     |   |
| 3           | CFB - Goose Bay Secondary            | -                          | 91,600         | 12                  |   |
|             | <b>Rural</b>                         |                            |                |                     |   |
| 4           | 1.1 Domestic                         | -                          | 7,389          | 8,352               |   |
| 5           | 1.1A Domestic All Electric           | -                          | 254,208        | 83,508              |   |
| 6           | <b>Subtotal Domestic</b>             | <b>-</b>                   | <b>261,597</b> | <b>91,860</b>       |   |
| 7           | 2.1 General Service 0-10 kW          | -                          | 6,493          | 5,694               |   |
| 8           | 2.2 General Service 10-100 kW        | 214,857                    | 59,614         | 6,724               |   |
| 9           | 2.3 General Service 110-1,000 kVa    | 299,982                    | 91,175         | 1,178               |   |
| 10          | 2.4 General Service Over 1,000 kVa   | 98,875                     | 42,000         | 12                  |   |
| 11          | 4.1 Street and Area Lighting         | -                          | 1,423          | 2,712               |   |
| 12          | <b>Subtotal Rural</b>                | <b>613,714</b>             | <b>462,302</b> | <b>108,180</b>      |   |
| 13          | <b>Total Labrador Interconnected</b> | <b>1,357,714</b>           | <b>831,602</b> | <b>108,204</b>      |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Isolated Government Rate Classes**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                                 | 1 | 2                          | 3              | 4                   |
|-------------|--------------------------------------------|---|----------------------------|----------------|---------------------|
|             |                                            |   | Units                      |                |                     |
|             |                                            |   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |
|             | <b>1.2G Government Domestic Diesel</b>     |   |                            |                |                     |
| 1           | Island Isolated                            |   | -                          | -              | -                   |
| 2           | Labrador Isolated                          |   | -                          | 472            | 276                 |
| 3           | <b>Subtotal Domestic</b>                   |   | -                          | <b>472</b>     | <b>276</b>          |
|             | <b>2.5G Gov't General Service Diesel</b>   |   |                            |                |                     |
| 4           | Island Isolated                            |   | -                          | 719            | 204                 |
| 5           | Labrador Isolated                          |   | -                          | 1,236          | 672                 |
| 6           | <b>Subtotal General Service</b>            |   | -                          | <b>1,955</b>   | <b>876</b>          |
|             | <b>4.1G Gov't Street and Area Lighting</b> |   |                            |                |                     |
| 7           | Island Isolated                            |   | -                          | 3              | 48                  |
| 8           | Labrador Isolated                          |   | -                          | 5              | 36                  |
| 9           | <b>Subtotal Street Lighting</b>            |   | -                          | <b>8</b>       | <b>84</b>           |
| 10          | <b>Total Government Rate Classes</b>       |   | -                          | <b>2,435</b>   | <b>1,236</b>        |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Calculation of Firming Up Charge**

|          | 1                       | 2                 | 3                | 4                        |
|----------|-------------------------|-------------------|------------------|--------------------------|
| Line No. | Description             | Total             | Gas Turbine      | Transmission & Terminals |
| 1        | Operating & Maintenance | 5,578,336         | 1,037,325        | 4,541,011                |
| 2        | O&M Overhead            | 4,729,077         | 730,666          | 3,998,411                |
| 3        | Depreciation            | 7,370,129         | 224,868          | 7,145,261                |
| 4        | Return (Note 1)         | 14,004,622        | 203,037          | 13,801,585               |
| 5        | <b>Total</b>            | <b>31,682,163</b> | <b>2,195,896</b> | <b>29,486,267</b>        |
| 6        | Capacity (kW)           |                   | 118,000          | 1,485,600                |
| 7        | Cost (\$/kW)            | \$38.46           | \$18.61          | \$19.85                  |
| 8        | Rate (\$/kWh)           | \$0.00792         |                  |                          |

**Note 1 Gas Turbine Return**

Gas Turbine NBV - Sch.2.3A L.9

2,449,935

NBV Including Alloc General, Telecontrol & Feasibility Study

2,597,118

Percent of Total Prod Demand NBV - Schedule 2.3A, L.40, C.3

0.78%

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Interconnected  
Calculation of Transmission Wheeling Charge

| 1           |                                                        | 2          |
|-------------|--------------------------------------------------------|------------|
| Line<br>No. | Description                                            |            |
| 1           | Island Interconnected Transmission Revenue Requirement | 29,572,118 |
| 2           | Transmission Energy Output (MWh)                       | 6,285,137  |
| 3           | Rate (\$/kWh)                                          | \$0.00471  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Revenue Requirement**

|                 | 1                                       | 2                 | 3                      | 4                        | 5                        | 6            | 7            | 8             | 9           | 10          | 11                | 12          | 13              | 14          | 15            | 16            | 17              | 18                                  |               |
|-----------------|-----------------------------------------|-------------------|------------------------|--------------------------|--------------------------|--------------|--------------|---------------|-------------|-------------|-------------------|-------------|-----------------|-------------|---------------|---------------|-----------------|-------------------------------------|---------------|
| Line No.        | Description                             | Total Amount (\$) | Production Demand (\$) | Production and           | Transmission Demand (\$) | Rural Prod & | Distribution |               |             |             |                   |             |                 |             |               |               |                 | Specifically Assigned Customer (\$) |               |
|                 |                                         |                   |                        | Transmission Energy (\$) |                          | Transmission | Substations  | Primary Lines |             |             | Line Transformers |             | Secondary Lines |             | Services      | Meters        | Street Lighting |                                     | Accounting    |
|                 |                                         |                   |                        |                          |                          |              | Demand (\$)  | Demand (\$)   | Demand (\$) | Demand (\$) | Customer (\$)     | Demand (\$) | Customer (\$)   | Demand (\$) | Customer (\$) | Customer (\$) | Customer (\$)   |                                     | Customer (\$) |
| Expenses        |                                         |                   |                        |                          |                          |              |              |               |             |             |                   |             |                 |             |               |               |                 |                                     |               |
| 1               | Operating & Maintenance                 | 67,976,826        | 24,828,091             | 18,496,770               | 8,539,421                | 4,791,008    | 1,021,645    | 4,109,989     | 944,786     | 200,550     | 354,991           | 520,020     | 570,416         | 328,598     | 328,152       | 71,818        | 2,127,953       | 742,619                             |               |
| 2               | Fuels-No. 6 Fuel                        | 81,662,072        | -                      | 81,662,072               | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 3               | Fuels-Diesel                            | 38,580            | -                      | -                        | -                        | 38,580       | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 4               | Fuels-Gas Turbine                       | 351,252           | 351,252                | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 5               | Power Purchases -CF(L)Co                | -                 | -                      | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 6               | Power Purchases-Other                   | 11,772,644        | 5,224,161              | 6,098,824                | -                        | 449,659      | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 7               | Depreciation                            | 25,649,271        | 5,438,059              | 5,369,872                | 7,145,261                | 2,850,856    | 486,585      | 1,943,615     | 417,584     | 100,896     | 178,594           | 226,200     | 248,559         | 109,173     | 88,817        | 40,397        | 213,617         | 791,185                             |               |
| Expense Credits |                                         |                   |                        |                          |                          |              |              |               |             |             |                   |             |                 |             |               |               |                 |                                     |               |
| 8               | Sundry                                  | (344,064)         | (125,667)              | (93,621)                 | (43,222)                 | (24,250)     | (5,171)      | (20,803)      | (4,782)     | (1,015)     | (1,797)           | (2,632)     | (2,887)         | (1,663)     | (1,661)       | (364)         | (10,771)        | (3,759)                             |               |
| 9               | Building Rental Income                  | (4,000)           | (1,274)                | (1,505)                  | (575)                    | (308)        | (45)         | (140)         | (32)        | (7)         | (12)              | (18)        | (19)            | (11)        | (6)           | (2)           | -               | (46)                                |               |
| 10              | Tax Refunds                             | -                 | -                      | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 11              | Suppliers' Discounts                    | (42,025)          | (15,349)               | (11,435)                 | (5,279)                  | (2,962)      | (632)        | (2,541)       | (584)       | (124)       | (219)             | (321)       | (353)           | (203)       | (203)         | (44)          | (1,316)         | (459)                               |               |
| 12              | Pole Attachments                        | (471,791)         | -                      | -                        | -                        | -            | -            | (272,859)     | (93,250)    | -           | -                 | (48,296)    | (57,385)        | -           | -             | -             | -               | -                                   |               |
| 13              | Secondary Energy                        | -                 | -                      | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 14              | Wheeling Revenues                       | -                 | -                      | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | -                                   |               |
| 15              | Application Fees                        | (23,000)          | -                      | -                        | -                        | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | (23,000)        | -                                   |               |
| 16              | Total Expense Credits                   | (884,880)         | (142,291)              | (106,561)                | (49,077)                 | (27,520)     | (5,847)      | (296,343)     | (98,649)    | (1,146)     | (2,028)           | (51,268)    | (60,644)        | (1,878)     | (1,870)       | (410)         | (35,086)        | (4,264)                             |               |
| 17              | Subtotal Expenses                       | 186,565,765       | 35,699,272             | 111,520,977              | 15,635,606               | 8,102,583    | 1,502,383    | 5,757,262     | 1,263,722   | 300,300     | 531,557           | 694,952     | 758,330         | 435,893     | 415,099       | 111,805       | 2,306,484       | 1,529,541                           |               |
| 18              | Disposal Gain / Loss                    | 874,978           | 254,490                | 367,591                  | 134,928                  | 64,810       | 7,314        | 21,325        | 4,676       | 1,226       | 2,170             | 2,452       | 2,712           | 1,219       | 972           | 498           | 244             | 8,351                               |               |
| 19              | Subtotal Revenue Requirement Ex. Return | 187,440,743       | 35,953,762             | 111,888,568              | 15,770,534               | 8,167,393    | 1,509,698    | 5,778,586     | 1,268,398   | 301,527     | 533,727           | 697,403     | 761,043         | 437,112     | 416,071       | 112,302       | 2,306,727       | 1,537,892                           |               |
| 20              | Return on Debt                          | 83,978,036        | 24,281,163             | 35,631,918               | 12,815,205               | 6,167,762    | 698,866      | 2,039,762     | 447,725     | 116,906     | 206,933           | 235,014     | 259,945         | 117,627     | 92,842        | 47,341        | 23,080          | 795,947                             |               |
| 21              | Return on Equity                        | 5,659,122         | 1,868,909              | 2,742,570                | 986,380                  | -            | -            | -             | -           | -           | -                 | -           | -               | -           | -             | -             | -               | 61,264                              |               |
| 22              | Total Revenue Reqmt                     | 277,077,901       | 62,103,833             | 150,263,056              | 29,572,118               | 14,335,155   | 2,208,564    | 7,818,349     | 1,716,123   | 418,433     | 740,661           | 932,418     | 1,020,988       | 554,739     | 508,912       | 159,643       | 2,329,808       | 2,395,103                           |               |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Interconnected  
Functional Classification of Revenue Requirement - Documentation

| Line<br>No. | 1<br>Description                    | 2<br>Basis of Functional Classification                           |
|-------------|-------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                     |                                                                   |
| 1           | Operating & Maintenance             | Carryforward from Sch.2.4 L.25                                    |
| 2           | Fuels-No. 6 Fuel                    | Production - Demand, Energy ratios Sch.4.1 L.10                   |
| 3           | Fuels-Diesel                        | Production - Demand, Energy ratios Sch.4.1 L.12                   |
| 4           | Fuels-Gas Turbine                   | Production - Demand, Energy ratios Sch.4.1 L.11                   |
| 5           | Power Purchases -CF(L)Co            |                                                                   |
| 6           | Power Purchases-Other               | Carryforward from Sch.4.4 L.7                                     |
| 7           | Depreciation                        | Carryforward from Sch.2.5 L.40                                    |
|             | <b>Expense Credits</b>              |                                                                   |
| 8           | Sundry                              | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 9           | Building Rental Income              | Prorated on General Plant - Sch.2.2 L.34                          |
| 10          | Tax Refunds                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 11          | Suppliers' Discounts                | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 12          | Pole Attachments                    | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy                    | Production - Energy                                               |
| 14          | Wheeling Revenues                   | Transmission - Demand                                             |
| 15          | Application Fees                    | Accounting - Customer                                             |
| 16          | <b>Total Expense Credits</b>        |                                                                   |
| 17          | <b>Subtotal Expenses</b>            |                                                                   |
| 18          | Disposal Gain / Loss                | Prorated on Total Net Book Value - Sch.2.3 L.40                   |
|             | <b>Subtotal Revenue Requirement</b> |                                                                   |
| 19          | <b>Ex. Return</b>                   |                                                                   |
| 20          | Return on Debt                      | Prorated on Rate Base - Sch.2.6 L.8                               |
| 21          | Return on Equity                    | Prorated on Rate Base - Sch.2.6 L.10                              |
| 22          | <b>Total Revenue Reqmt</b>          |                                                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Plant in Service for the Allocation of O&M Expense**

|      | 1                         | 2             | 3           | 4              | 5            | 6            | 7            | 8             | 9          | 10                | 11        | 12              | 13        | 14        | 15        | 16              | 17         | 18           |  |
|------|---------------------------|---------------|-------------|----------------|--------------|--------------|--------------|---------------|------------|-------------------|-----------|-----------------|-----------|-----------|-----------|-----------------|------------|--------------|--|
|      |                           |               |             | Production and |              | Rural Prod & | Distribution |               |            |                   |           |                 |           |           |           |                 |            |              |  |
| Line |                           | Total         | Production  | Transmission   | Transmission | Transmission | Substations  | Primary Lines |            | Line Transformers |           | Secondary Lines |           | Services  | Meters    | Street Lighting | Accounting | Specifically |  |
| No.  | Description               | Amount        | Demand      | Energy         | Demand       | Demand       | Demand       | Demand        | Customer   | Demand            | Customer  | Demand          | Customer  | Customer  | Customer  | Customer        | Customer   | Assigned     |  |
|      |                           | (\$)          | (\$)        | (\$)           | (\$)         | (\$)         | (\$)         | (\$)          | (\$)       | (\$)              | (\$)      | (\$)            | (\$)      | (\$)      | (\$)      | (\$)            | (\$)       | Customer     |  |
|      | Production                |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |              |  |
|      | Hydraulic                 |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |              |  |
| 1    | Bay D'Espoir              | 184,471,559   | 72,341,640  | 112,129,918    | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 2    | Upper Salmon              | 168,982,335   | 66,267,447  | 102,714,888    | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 3    | Hinds Lake                | 79,507,543    | 31,179,365  | 48,328,178     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 4    | Cat Arm                   | 263,761,479   | 103,435,663 | 160,325,816    | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 5    | Paradise River            | 21,618,100    | 8,477,669   | 13,140,431     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 6    | Other Hydraulic           | 2,113,835     | 331,448     | 513,746        | -            | 1,268,641    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 7    | Subtotal Hydraulic        | 720,454,850   | 282,033,233 | 437,152,977    | -            | 1,268,641    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 8    | Holyrood                  | 181,539,502   | 120,487,767 | 61,051,734     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 9    | Gas Turbines              | 23,365,262    | 23,365,262  | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 10   | Roddickton                | -             | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 11   | Diesel                    | 8,072,952     | -           | -              | -            | 8,072,952    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 12   | Subtotal Production       | 933,432,566   | 425,886,262 | 498,204,711    | -            | 9,341,593    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
|      | Transmission              |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |              |  |
| 13   | Lines                     | 231,543,635   | -           | -              | 148,334,667  | 79,541,243   | -            | 168,000       | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 3,499,724    |  |
| 14   | Lines - Hydraulic         | 39,384,654    | 15,444,931  | 23,939,723     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 15   | Terminal Stations         | 91,693,522    | 0           | 0              | 58,703,977   | 20,011,745   | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 12,977,800   |  |
| 16   | Term Stns - Hydraulic     | 26,665,136    | 10,456,895  | 16,208,241     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 17   | Term Stns - Holyrood      | 9,970,601     | 6,617,488   | 3,353,113      | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 18   | Term Stns - Gas Tur/Dsl   | 1,183,617     | 382,749     | -              | -            | 800,868      | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 19   | Term Stns - Distribution  | 9,322,905     | -           | -              | -            | -            | 9,322,905    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 20   | Subtotal Term Stns        | 138,835,782   | 17,457,132  | 19,561,355     | 58,703,977   | 20,812,614   | 9,322,905    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 12,977,800   |  |
| 21   | Subtotal Transmission     | 409,764,070   | 32,902,063  | 43,501,078     | 207,038,644  | 100,353,857  | 9,322,905    | 168,000       | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 16,477,525   |  |
|      | Distribution              |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |              |  |
| 22   | Substations               | 7,979,031     | -           | -              | -            | 1,204,121    | 6,774,910    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 23   | Land & Land Improvements  | 684,743       | -           | -              | -            | -            | -            | 516,262       | 65,770     | -                 | -         | 59,881          | 42,831    | -         | -         | -               | -          | -            |  |
| 24   | Poles                     | 50,162,355    | -           | -              | -            | -            | -            | 29,011,298    | 9,914,690  | -                 | -         | 5,135,020       | 6,101,348 | -         | -         | -               | -          | -            |  |
| 25   | Primary Conductor & Eqpt  | 13,983,638    | -           | -              | -            | -            | -            | 12,403,486    | 1,580,151  | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 26   | Submarine Conductor       | 8,281,760     | -           | -              | -            | -            | -            | 8,281,760     | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 27   | Transformers              | 6,797,726     | -           | -              | -            | -            | -            | -             | -          | 2,453,979         | 4,343,747 | -               | -         | -         | -         | -               | -          | -            |  |
| 28   | Secondary Conductor&Eqpt  | 2,003,732     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | 1,168,176       | 835,556   | -         | -         | -               | -          | -            |  |
| 29   | Services                  | 4,020,793     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | 4,020,793 | -         | -               | -          | -            |  |
| 30   | Meters                    | 2,171,053     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | 2,171,053 | -               | -          | -            |  |
| 31   | Street Lighting           | 878,783       | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | 878,783         | -          | -            |  |
| 32   | Subtotal Distribution     | 96,963,614    | -           | -              | -            | 1,204,121    | 6,774,910    | 50,212,806    | 11,560,610 | 2,453,979         | 4,343,747 | 6,363,076       | 6,979,734 | 4,020,793 | 2,171,053 | 878,783         | -          | -            |  |
| 33   | Subtl Prod, Trans, & Dist | 1,440,160,250 | 458,788,325 | 541,705,789    | 207,038,644  | 110,899,570  | 16,097,815   | 50,380,806    | 11,560,610 | 2,453,979         | 4,343,747 | 6,363,076       | 6,979,734 | 4,020,793 | 2,171,053 | 878,783         | -          | 16,477,525   |  |
| 34   | General                   | 92,819,928    | 29,569,417  | 34,913,540     | 13,343,871   | 7,147,600    | 1,037,522    | 3,247,099     | 745,094    | 158,162           | 279,959   | 410,107         | 449,852   | 259,145   | 139,927   | 56,639          | -          | 1,061,995    |  |
| 35   | Telecontrol - Common      | 43,441,358    | 15,022,312  | 17,737,315     | 6,779,159    | 3,591,807    | 305,264      | 5,501         | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 36   | Telecontrol - Specific    | 9,144         | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 9,144        |  |
| 37   | Feasibility Studies       | 377,568       | 160,291     | -              | 217,277      | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -            |  |
| 38   | Software - General        | 4,075,488     | 1,298,318   | 1,532,965      | 585,896      | 313,833      | 45,555       | 142,572       | 32,715     | 6,944             | 12,292    | 18,007          | 19,752    | 11,378    | 6,144     | 2,487           | -          | 46,629       |  |
| 39   | Software - Cust Acctg     | 320,426       | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | 320,426    | -            |  |
| 40   | Total Plant               | 1,581,204,161 | 504,838,662 | 595,889,609    | 227,964,846  | 121,952,811  | 17,486,156   | 53,775,978    | 12,338,420 | 2,619,085         | 4,635,999 | 6,791,190       | 7,449,338 | 4,291,316 | 2,317,123 | 937,909         | 320,426    | 17,595,292   |  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation**

| Line No. | 1<br>Description                      | 2<br>Basis of Functional Classification                                                                         |
|----------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                     |                                                                                                                 |
|          | <b>Hydraulic</b>                      |                                                                                                                 |
| 1        | Bay D'Espoir                          | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 2        | Upper Salmon                          | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 3        | Hinds Lake                            | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 4        | Cat Arm                               | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 5        | Paradise River                        | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 6        | Other Hydraulic                       | Production - Demand, Energy ratios Sch.4.1 L.1, 2                                                               |
| 7        | <b>Subtotal Hydraulic</b>             |                                                                                                                 |
| 8        | Holyrood                              | Production - Demand, Energy ratios Sch.4.1 L.3                                                                  |
| 9        | Gas Turbines                          | Production - Demand, Energy ratios Sch.4.1 L.4                                                                  |
| 10       | Roddickton                            | Production - Demand, Energy ratios Sch.4.1 L.3                                                                  |
| 11       | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.5                                                                  |
| 12       | <b>Subtotal Production</b>            |                                                                                                                 |
|          | <b>Transmission</b>                   |                                                                                                                 |
| 13       | Lines                                 | Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr                                    |
| 14       | Lines - Hydraulic                     | Production - Demand, Energy ratios Sch.4.1 L.17                                                                 |
| 15       | Terminal Stations                     | Production - Demand, Energy subtotals, L. 12; Transmission - Demand; Spec Assigned - Custmr                     |
| 16       | Term Stns - Hydraulic                 | Production - Demand, Energy ratios Sch.4.1 L.20                                                                 |
| 17       | Term Stns - Holyrood                  | Production - Demand, Energy ratios Sch.4.1 L.21                                                                 |
| 18       | Term Stns - Gas Tur/Dsl               | Production - Demand, Energy ratios Sch.4.1 L.22, 23                                                             |
| 19       | Term Stns - Distribution              | Distribution - Substations Demand                                                                               |
| 20       | <b>Subtotal Term Stns</b>             |                                                                                                                 |
| 21       | <b>Subtotal Transmission</b>          |                                                                                                                 |
|          | <b>Distribution</b>                   | Distribution plant other than Substations, Meters and Submarine prorated to functions based on special analysis |
| 22       | Substations                           | Production - Demand; Dist Substns - Demand                                                                      |
| 23       | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                                      |
| 24       | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                                      |
| 25       | Primary Conductor & Eqpt              | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                                 |
| 26       | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                                 |
| 27       | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                                            |
| 28       | Secondary Conductor&Eqpt              | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                                              |
| 29       | Services                              | Services Customer                                                                                               |
| 30       | Meters                                | Meters - Customer                                                                                               |
| 31       | Street Lighting                       | Street Lighting - Customer                                                                                      |
| 32       | <b>Subtotal Distribution</b>          |                                                                                                                 |
| 33       | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                                 |
| 34       | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.33                                      |
| 35       | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 12, 21                                          |
| 36       | Telecontrol - Specific                | Specifically Assigned - Customer                                                                                |
| 37       | Feasibility Studies                   | Production, Transmission - Demand                                                                               |
| 38       | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.33                                      |
| 39       | Software - Cust Acctg                 | Customer Accounting                                                                                             |
| 40       | <b>Total Plant</b>                    |                                                                                                                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Net Book Value**

|          | 1                           | 2             | 3                 | 4                                  | 5                   | 6                                | 7                  | 8                    | 9         | 10                       | 11        | 12                     | 13        | 14                | 15              | 16                       | 17                  | 18                             |
|----------|-----------------------------|---------------|-------------------|------------------------------------|---------------------|----------------------------------|--------------------|----------------------|-----------|--------------------------|-----------|------------------------|-----------|-------------------|-----------------|--------------------------|---------------------|--------------------------------|
| Line No. | Description                 | Total Amount  | Production Demand | Production and Transmission Energy | Transmission Demand | Rural Prod & Transmission Demand | Distribution       |                      |           |                          |           |                        |           |                   |                 |                          |                     | Specifically Assigned Customer |
|          |                             |               |                   |                                    |                     |                                  | Substations Demand | Primary Lines Demand | Customer  | Line Transformers Demand | Customer  | Secondary Lines Demand | Customer  | Services Customer | Meters Customer | Street Lighting Customer | Accounting Customer |                                |
|          |                             | (\$)          | (\$)              | (\$)                               | (\$)                | (\$)                             | (\$)               | (\$)                 | (\$)      | (\$)                     | (\$)      | (\$)                   | (\$)      | (\$)              | (\$)            | (\$)                     | (\$)                | (\$)                           |
|          | Production Hydraulic        |               |                   |                                    |                     |                                  |                    |                      |           |                          |           |                        |           |                   |                 |                          |                     |                                |
| 1        | Bay D'Espoir                | 148,849,500   | 58,372,234        | 90,477,266                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 2        | Upper Salmon                | 163,877,910   | 64,265,716        | 99,612,194                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 3        | Hinds Lake                  | 74,347,278    | 29,155,736        | 45,191,542                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 4        | Cat Arm                     | 259,607,398   | 101,806,615       | 157,800,783                        | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 5        | Paradise River              | 21,057,954    | 8,258,004         | 12,799,950                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 6        | Other Small Hydraulic       | 825,686       | 260,667           | 404,036                            | -                   | 160,983                          | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 7        | Subtotal Hydraulic          | 668,565,726   | 262,118,973       | 406,285,771                        | -                   | 160,983                          | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 8        | Holyrood                    | 36,566,941    | 24,269,479        | 12,297,462                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 9        | Gas Turbines                | 2,449,935     | 2,449,935         | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 10       | Roddickton                  | -             | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 11       | Diesel                      | 1,789,762     | -                 | -                                  | -                   | 1,789,762                        | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 12       | Subtotal Production         | 709,372,365   | 288,838,387       | 418,583,233                        | -                   | 1,950,745                        | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
|          | Transmission                |               |                   |                                    |                     |                                  |                    |                      |           |                          |           |                        |           |                   |                 |                          |                     |                                |
| 13       | Lines                       | 188,186,986   | -                 | -                                  | 125,101,689         | 60,564,952                       | -                  | 78,788               | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | 2,441,556                      |
| 14       | Lines - Hydraulic           | 38,009,822    | 14,905,782        | 23,104,040                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 15       | Terminal Stations           | 66,634,751    | 0                 | 1                                  | 42,068,323          | 16,445,276                       | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | 8,121,151                      |
| 16       | Term Stns - Hydraulic       | 20,719,650    | 8,125,337         | 12,594,314                         | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 17       | Term Stns - Holyrood        | 5,078,335     | 3,370,491         | 1,707,844                          | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 18       | Term Stns - Gas Tur/Dsl     | 988,177       | 298,568           | -                                  | -                   | 689,609                          | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 19       | Term Stns - Distribution    | 5,891,977     | -                 | -                                  | -                   | -                                | 5,891,977          | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 20       | Subtotal Term Stns          | 99,312,891    | 11,794,396        | 14,302,159                         | 42,068,323          | 17,134,885                       | 5,891,977          | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | 8,121,151                      |
| 21       | Subtotal Transmission       | 325,509,698   | 26,700,178        | 37,406,198                         | 167,170,012         | 77,699,837                       | 5,891,977          | 78,788               | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | 10,562,707                     |
|          | Distribution                |               |                   |                                    |                     |                                  |                    |                      |           |                          |           |                        |           |                   |                 |                          |                     |                                |
| 22       | Substations                 | 4,003,496     | -                 | -                                  | -                   | 759,364                          | 3,244,132          | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 23       | Land & Land Improvements    | 429,511       | -                 | -                                  | -                   | -                                | -                  | 323,830              | 41,255    | -                        | -         | 37,561                 | 26,866    | -                 | -               | -                        | -                   | -                              |
| 24       | Poles                       | 25,050,505    | -                 | -                                  | -                   | -                                | -                  | 14,487,909           | 4,951,282 | -                        | -         | 2,564,370              | 3,046,943 | -                 | -               | -                        | -                   | -                              |
| 25       | Primary Conductor & Eqpt    | 8,162,502     | -                 | -                                  | -                   | -                                | -                  | 7,240,139            | 922,363   | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 26       | Submarine Conductor         | 4,841,735     | -                 | -                                  | -                   | -                                | -                  | 4,841,735            | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 27       | Transformers                | 4,296,494     | -                 | -                                  | -                   | -                                | -                  | -                    | -         | 1,551,034                | 2,745,460 | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 28       | Secondary Conductor&Eqpt    | 856,613       | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | 499,405                | 357,207   | -                 | -               | -                        | -                   | -                              |
| 29       | Services                    | 1,542,491     | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | 1,542,491         | -               | -                        | -                   | -                              |
| 30       | Meters                      | 1,229,169     | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | 1,229,169       | -                        | -                   | -                              |
| 31       | Street Lighting             | 629,429       | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | 629,429                  | -                   | -                              |
| 32       | Subtotal Distribution       | 51,041,944    | -                 | -                                  | -                   | 759,364                          | 3,244,132          | 26,893,613           | 5,914,900 | 1,551,034                | 2,745,460 | 3,101,336              | 3,431,016 | 1,542,491         | 1,229,169       | 629,429                  | -                   | -                              |
| 33       | Subtltl Prod, Trans, & Dist | 1,085,924,007 | 315,538,565       | 455,989,431                        | 167,170,012         | 80,409,946                       | 9,136,110          | 26,972,402           | 5,914,900 | 1,551,034                | 2,745,460 | 3,101,336              | 3,431,016 | 1,542,491         | 1,229,169       | 629,429                  | -                   | 10,562,707                     |
| 34       | General                     | 38,305,966    | 11,130,622        | 16,085,026                         | 5,896,922           | 2,836,461                        | 322,276            | 951,451              | 208,648   | 54,713                   | 96,846    | 109,400                | 121,029   | 54,411            | 43,359          | 22,203                   | -                   | 372,599                        |
| 35       | Telecontrol - Common        | 20,955,633    | 6,455,321         | 9,328,680                          | 3,419,982           | 1,629,500                        | 120,539            | 1,612                | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 36       | Telecontrol - Specific      | -             | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 37       | Feasibility Studies         | 377,568       | 160,291           | -                                  | 217,277             | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | -                   | -                              |
| 38       | Software - General          | 4,164,719     | 1,210,149         | 1,748,804                          | 641,128             | 308,387                          | 35,039             | 103,444              | 22,685    | 5,949                    | 10,529    | 11,894                 | 13,159    | 5,916             | 4,714           | 2,414                    | -                   | 40,510                         |
| 39       | Software - Cust Acctng      | 320,426       | -                 | -                                  | -                   | -                                | -                  | -                    | -         | -                        | -         | -                      | -         | -                 | -               | -                        | 320,426             | -                              |
| 40       | Total Net Book Value        | 1,150,048,318 | 334,494,947       | 483,151,940                        | 177,345,320         | 85,184,293                       | 9,613,963          | 28,028,909           | 6,146,232 | 1,611,696                | 2,852,835 | 3,222,630              | 3,565,204 | 1,602,818         | 1,277,242       | 654,046                  | 320,426             | 10,975,816                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**

| Line No. | Description | 1<br>Total Amount (\$) | 2<br>Production Demand (\$) | 3<br>Production and Transmission Energy (\$) | 4<br>Transmission Demand (\$) | 5<br>Rural Prod & Transmission Demand (\$) | Functional Classification of Operating & Maintenance Expense |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  | 17<br>Accounting Customer (\$) | 18<br>Specifically Assigned Customer (\$) |
|----------|-------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|--------------------------------------------|--------------------------------------------------------------|--------------------------------|--------------------|-------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--|--------------------------------|-------------------------------------------|
|          |             |                        |                             |                                              |                               |                                            | 7<br>Substations Demand (\$)                                 | 8<br>Primary Lines Demand (\$) | 9<br>Customer (\$) | 10<br>Line Transformers Demand (\$) | 11<br>Customer (\$) | 12<br>Secondary Lines Demand (\$) | 13<br>Customer (\$) | 14<br>Services Customer (\$) | 15<br>Meters Customer (\$) | 16<br>Street Lighting Customer (\$) |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
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|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
|          |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |
| </       |             |                        |                             |                                              |                               |                                            |                                                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |  |                                |                                           |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

| Line No. | 1<br>Description                                  | 2<br>Basis of Functional Classification                                                                  |
|----------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                          |
| 1        | Hydraulic                                         | Prorated on Hydraulic Plant in Service - Sch.2.2 L.7                                                     |
| 2        | Holyrood / Thermal                                | Prorated on Holyrood Plant in Service - Sch.2.2 L.8                                                      |
| 3        | Roddickton                                        | Prorated on Roddickton Plant in Service - Sch.2.2 L.10                                                   |
| 4        | Gas Turbine/Diesel                                | Prorated on Gas Turbines & Diesel Plant in Service - Sch.2.2 L.9, 11                                     |
| 5        | <b>Subtotal Production</b>                        |                                                                                                          |
|          | <b>Transmission</b>                               |                                                                                                          |
| 6        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.13, 14                                       |
| 7        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.20                               |
| 8        | <b>Subtotal Transmission</b>                      |                                                                                                          |
|          | <b>Distribution</b>                               |                                                                                                          |
| 9        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L. 46                                           |
| 10       | Meters                                            | Meters - Customer                                                                                        |
| 11       | <b>Subtotal Distribution</b>                      |                                                                                                          |
| 12       | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                          |
| 13       | Customer Accounting                               | Accounting - Customer                                                                                    |
|          | <b>Overheads</b>                                  |                                                                                                          |
|          | <b>Plant-Related:</b>                             |                                                                                                          |
| 14       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.12                                                   |
| 15       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.21                                                 |
| 16       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.32                                                 |
| 17       | Prod, Trans, Distn                                | Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.33                                   |
| 18       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.35, 36                                              |
| 19       | Prod, Trans, Distn and General Plant              | Prorated on Total Plant in Service, Sch. 2.2, L. 40                                                      |
| 20       | Prod, Trans, Distn, Excl Hydraulic & Holyrood     | Prorated on Total Plant in Service, Sch. 2.2, L. 33 Less L. 7 and L. 8                                   |
|          | <b>Expense Related:</b>                           |                                                                                                          |
| 21       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.12, 20, 22, 34 - 36 |
| 22       | Municipal Tax                                     | Prorated on Distribution Expenses, L. 11                                                                 |
| 23       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 12, 13              |
| 24       | <b>Subtotal Overheads</b>                         |                                                                                                          |
| 25       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Depreciation Expense**

| 1    | 2                                     | 3                 | 4                 | 5                   | 6                   | 7                  | 8                    | 9                | 10                       | 11             | 12                     | 13             | 14                | 15              | 16                       | 17                  | 18                             |
|------|---------------------------------------|-------------------|-------------------|---------------------|---------------------|--------------------|----------------------|------------------|--------------------------|----------------|------------------------|----------------|-------------------|-----------------|--------------------------|---------------------|--------------------------------|
| Line |                                       |                   | Production and    | Transmission        | Rural Prod &        | Distribution       |                      |                  |                          |                |                        |                |                   |                 |                          |                     |                                |
| No.  | Description                           | Total Amount      | Production Demand | Transmission Energy | Transmission Demand | Substations Demand | Primary Lines Demand | Customer         | Line Transformers Demand | Customer       | Secondary Lines Demand | Customer       | Services Customer | Meters Customer | Street Lighting Customer | Accounting Customer | Specifically Assigned Customer |
|      |                                       | (\$)              | (\$)              | (\$)                | (\$)                | (\$)               | (\$)                 | (\$)             | (\$)                     | (\$)           | (\$)                   | (\$)           | (\$)              | (\$)            | (\$)                     | (\$)                | (\$)                           |
|      | <b>Production</b>                     |                   |                   |                     |                     |                    |                      |                  |                          |                |                        |                |                   |                 |                          |                     |                                |
|      | <b>Hydraulic</b>                      |                   |                   |                     |                     |                    |                      |                  |                          |                |                        |                |                   |                 |                          |                     |                                |
| 1    | Bay D'Espoir                          | 1,384,553         | 542,961           | 841,592             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 2    | Upper Salmon                          | 695,890           | 272,898           | 422,993             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 3    | Hinds Lake                            | 348,175           | 136,539           | 211,636             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 4    | Cat Arm                               | 644,961           | 252,925           | 392,036             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 5    | Paradise River                        | 81,570            | 31,988            | 49,582              | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 6    | Other Small Hydraulic                 | 26,458            | 8,297             | 12,860              | -                   | 5,301              | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 7    | <b>Subtotal Hydraulic</b>             | <b>3,181,607</b>  | <b>1,245,608</b>  | <b>1,930,699</b>    | <b>-</b>            | <b>5,301</b>       | <b>-</b>             | <b>-</b>         | <b>-</b>                 | <b>-</b>       | <b>-</b>               | <b>-</b>       | <b>-</b>          | <b>-</b>        | <b>-</b>                 | <b>-</b>            | <b>-</b>                       |
| 8    | Holyrood                              | 2,002,192         | 1,328,855         | 673,337             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 9    | Gas Turbines                          | 134,130           | 134,130           | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 10   | Roddickton                            | -                 | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 11   | Diesel                                | 182,021           | -                 | -                   | -                   | 182,021            | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 12   | <b>Subtotal Production</b>            | <b>5,499,950</b>  | <b>2,708,592</b>  | <b>2,604,036</b>    | <b>-</b>            | <b>187,322</b>     | <b>-</b>             | <b>-</b>         | <b>-</b>                 | <b>-</b>       | <b>-</b>               | <b>-</b>       | <b>-</b>          | <b>-</b>        | <b>-</b>                 | <b>-</b>            | <b>-</b>                       |
|      | <b>Transmission</b>                   |                   |                   |                     |                     |                    |                      |                  |                          |                |                        |                |                   |                 |                          |                     |                                |
| 13   | Lines                                 | 3,937,196         | -                 | -                   | 2,499,236           | 1,275,045          | -                    | 7,685            | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | 155,229                        |
| 14   | Lines - Hydraulic                     | 179,171           | 70,263            | 108,908             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 15   | Terminal Stations                     | 2,369,984         | 0                 | 0                   | 1,758,921           | 216,245            | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | 394,819                        |
| 16   | Term Stns - Hydraulic                 | 693,959           | 272,140           | 421,819             | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 17   | Term Stns - Holyrood                  | 277,730           | 184,329           | 93,401              | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 18   | Term Stns - Gas Tur/Dsl               | 10,890            | 8,392             | -                   | -                   | 2,498              | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 19   | Term Stns - Distribution              | 122,690           | -                 | -                   | -                   | -                  | 122,690              | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 20   | <b>Subtotal Term Stns</b>             | <b>3,475,253</b>  | <b>464,862</b>    | <b>515,219</b>      | <b>1,758,921</b>    | <b>218,743</b>     | <b>122,690</b>       | <b>-</b>         | <b>-</b>                 | <b>-</b>       | <b>-</b>               | <b>-</b>       | <b>-</b>          | <b>-</b>        | <b>-</b>                 | <b>-</b>            | <b>394,819</b>                 |
| 21   | <b>Subtotal Transmission</b>          | <b>7,591,620</b>  | <b>535,125</b>    | <b>624,127</b>      | <b>4,258,157</b>    | <b>1,493,789</b>   | <b>122,690</b>       | <b>7,685</b>     | <b>-</b>                 | <b>-</b>       | <b>-</b>               | <b>-</b>       | <b>-</b>          | <b>-</b>        | <b>-</b>                 | <b>-</b>            | <b>550,048</b>                 |
|      | <b>Distribution</b>                   |                   |                   |                     |                     |                    |                      |                  |                          |                |                        |                |                   |                 |                          |                     |                                |
| 22   | Substations                           | 234,232           | -                 | -                   | -                   | 37,834             | 196,398              | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 23   | Land & Land Improvements              | 19,793            | -                 | -                   | -                   | -                  | -                    | 14,923           | 1,901                    | -              | -                      | 1,731          | 1,238             | -               | -                        | -                   | -                              |
| 24   | Poles                                 | 1,246,012         | -                 | -                   | -                   | -                  | -                    | 720,629          | 246,277                  | -              | -                      | 127,552        | 151,555           | -               | -                        | -                   | -                              |
| 25   | Primary Conductor & Eqpt              | 372,879           | -                 | -                   | -                   | -                  | -                    | 330,744          | 42,135                   | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 26   | Submarine Conductor                   | 276,059           | -                 | -                   | -                   | -                  | -                    | 276,059          | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 27   | Transformers                          | 194,307           | -                 | -                   | -                   | -                  | -                    | -                | -                        | 70,145         | 124,162                | -              | -                 | -               | -                        | -                   | -                              |
| 28   | Secondary Conductor&Eqpt              | 47,986            | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | 27,976         | 20,010            | -               | -                        | -                   | -                              |
| 29   | Services                              | 75,899            | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | 75,899          | -                        | -                   | -                              |
| 30   | Meters                                | 61,747            | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | 61,747                   | -                   | -                              |
| 31   | Street Lighting                       | 28,085            | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | 28,085              | -                              |
| 32   | <b>Subtotal Distribution</b>          | <b>2,556,999</b>  | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>37,834</b>      | <b>196,398</b>       | <b>1,342,354</b> | <b>290,313</b>           | <b>70,145</b>  | <b>124,162</b>         | <b>157,259</b> | <b>172,803</b>    | <b>75,899</b>   | <b>61,747</b>            | <b>28,085</b>       | <b>-</b>                       |
| 33   | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>15,648,569</b> | <b>3,243,717</b>  | <b>3,228,163</b>    | <b>4,258,157</b>    | <b>1,718,945</b>   | <b>319,088</b>       | <b>1,350,039</b> | <b>290,313</b>           | <b>70,145</b>  | <b>124,162</b>         | <b>157,259</b> | <b>172,803</b>    | <b>75,899</b>   | <b>61,747</b>            | <b>28,085</b>       | <b>550,048</b>                 |
| 34   | General                               | 5,283,577         | 1,095,207         | 1,089,956           | 1,437,722           | 580,384            | 107,737              | 455,827          | 98,021                   | 23,684         | 41,922                 | 53,097         | 58,345            | 25,627          | 20,848                   | 9,482               | 185,718                        |
| 35   | Telecontrol - Common                  | 2,822,501         | 730,007           | 726,506             | 958,309             | 378,338            | 27,612               | 1,729            | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 36   | Telecontrol - Specific                | -                 | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 37   | Feasibility Studies                   | 104,364           | 42,313            | -                   | 62,051              | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | -                              |
| 38   | Software - General                    | 1,576,642         | 326,815           | 325,248             | 429,023             | 173,189            | 32,149               | 136,021          | 29,250                   | 7,067          | 12,510                 | 15,844         | 17,410            | 7,647           | 6,221                    | 2,830               | 55,419                         |
| 39   | Software - Cust Acctng                | 213,617           | -                 | -                   | -                   | -                  | -                    | -                | -                        | -              | -                      | -              | -                 | -               | -                        | -                   | 213,617                        |
| 40   | <b>Total Deprecn Expense</b>          | <b>25,649,271</b> | <b>5,438,059</b>  | <b>5,369,872</b>    | <b>7,145,261</b>    | <b>2,850,856</b>   | <b>486,585</b>       | <b>1,943,615</b> | <b>417,584</b>           | <b>100,896</b> | <b>178,594</b>         | <b>226,200</b> | <b>248,559</b>    | <b>109,173</b>  | <b>88,817</b>            | <b>40,397</b>       | <b>791,185</b>                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Functional Classification of Rate Base**

| 1        | 2                                                                  | 3                 | 4                      | 5                                       | 6                        | 7                                     | 8                       | 9             | 10          | 11                | 12          | 13              | 14          | 15          | 16          | 17              | 18          |                                     |
|----------|--------------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------|-------------|-------------------|-------------|-----------------|-------------|-------------|-------------|-----------------|-------------|-------------------------------------|
| Line No. | Description                                                        | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Distribution            |               |             |                   |             |                 |             |             |             |                 |             | Specifically Assigned Customer (\$) |
|          |                                                                    |                   |                        |                                         |                          |                                       | Substations Demand (\$) | Primary Lines |             | Line Transformers |             | Secondary Lines |             | Services    | Meters      | Street Lighting | Accounting  |                                     |
|          |                                                                    |                   |                        |                                         |                          |                                       |                         | Demand (\$)   | Demand (\$) | Demand (\$)       | Demand (\$) | Demand (\$)     | Demand (\$) | Demand (\$) | Demand (\$) | Demand (\$)     | Demand (\$) |                                     |
| 1        | Average Net Book Value                                             | 1,150,048,318     | 334,494,947            | 483,151,940                             | 177,345,320              | 85,184,293                            | 9,613,963               | 28,028,909    | 6,146,232   | 1,611,696         | 2,852,835   | 3,222,630       | 3,565,204   | 1,602,818   | 1,277,242   | 654,046         | 320,426     | 10,975,816                          |
| 2        | Cash Working Capital                                               | 2,737,660         | 796,257                | 1,150,131                               | 422,166                  | 202,779                               | 22,886                  | 66,722        | 14,631      | 3,837             | 6,791       | 7,671           | 8,487       | 3,815       | 3,040       | 1,557           | 763         | 26,128                              |
| 3        | Fuel Inventory - No. 6 Fuel                                        | 11,121,620        | -                      | 11,121,620                              | -                        | -                                     | -                       | -             | -           | -                 | -           | -               | -           | -           | -           | -               | -           | -                                   |
| 4        | Fuel Inventory - Diesel                                            | 32,473            | -                      | -                                       | -                        | 32,473                                | -                       | -             | -           | -                 | -           | -               | -           | -           | -           | -               | -           | -                                   |
| 5        | Fuel Inventory - Gas Turbine                                       | 745,666           | 745,666                | -                                       | -                        | -                                     | -                       | -             | -           | -                 | -           | -               | -           | -           | -           | -               | -           | -                                   |
| 6        | Inventory/Supplies                                                 | 19,248,342        | 6,145,511              | 7,253,894                               | 2,775,066                | 1,484,558                             | 212,863                 | 654,627       | 150,198     | 31,883            | 56,435      | 82,671          | 90,682      | 52,239      | 28,207      | 11,417          | 3,901       | 214,191                             |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and<br>Regulatory Costs | 79,750,407        | 23,195,641             | 33,504,300                              | 12,298,058               | 5,907,128                             | 666,683                 | 1,943,672     | 426,212     | 111,763           | 197,831     | 223,474         | 247,230     | 111,148     | 88,571      | 45,355          | 22,220      | 761,121                             |
| 8        | Total Rate Base                                                    | 1,263,684,486     | 365,378,022            | 536,181,884                             | 192,840,610              | 92,811,231                            | 10,516,395              | 30,693,930    | 6,737,274   | 1,759,178         | 3,113,892   | 3,536,446       | 3,911,603   | 1,770,021   | 1,397,061   | 712,375         | 347,309     | 11,977,256                          |
| 9        | Less: Rural Asset Portion                                          | (157,306,714)     | -                      | -                                       | -                        | (92,811,231)                          | (10,516,395)            | (30,693,930)  | (6,737,274) | (1,759,178)       | (3,113,892) | (3,536,446)     | (3,911,603) | (1,770,021) | (1,397,061) | (712,375)       | (347,309)   | -                                   |
| 10       | Rate Base Available for Equity Return                              | 1,106,377,773     | 365,378,022            | 536,181,884                             | 192,840,610              | -                                     | -                       | -             | -           | -                 | -           | -               | -           | -           | -           | -               | -           | 11,977,256                          |
| 11       | Return on Debt                                                     | 83,978,036        | 24,281,163             | 35,631,918                              | 12,815,205               | 6,167,762                             | 698,866                 | 2,039,762     | 447,725     | 116,906           | 206,933     | 235,014         | 259,945     | 117,627     | 92,842      | 47,341          | 23,080      | 795,947                             |
| 12       | Return on Equity                                                   | 5,659,122         | 1,868,909              | 2,742,570                               | 986,380                  | -                                     | -                       | -             | -           | -                 | -           | -               | -           | -           | -           | -               | -           | 61,264                              |
| 13       | Return on Rate Base                                                | 89,637,159        | 26,150,071             | 38,374,488                              | 13,801,585               | 6,167,762                             | 698,866                 | 2,039,762     | 447,725     | 116,906           | 206,933     | 235,014         | 259,945     | 117,627     | 92,842      | 47,341          | 23,080      | 857,211                             |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Interconnected  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 40                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Demand, Energy ratios Sch.4.1 L.10     |
| 4           | Fuel Inventory - Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L.12     |
| 5           | Fuel Inventory - Gas Turbine                                       | Production - Demand, Energy ratios Sch.4.1 L.11     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 40 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and<br>Regulatory Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Asset Portion                                          | Rural Transmission and Distribution Rate Base       |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.2,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.2,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Interconnected  
Basis of Allocation to Classes of Service

|                                   | 1               | 2                    | 3              | 4            | 5            | 6            | 7            | 8             | 9        | 10                | 11       | 12              | 13       | 14           | 15               | 16              | 17           | 18                                   |
|-----------------------------------|-----------------|----------------------|----------------|--------------|--------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|--------------|------------------|-----------------|--------------|--------------------------------------|
| Line<br>No. Description           | Total<br>Amount | Production<br>Demand | Production and | Transmission | Transmission | Rural Prod & | Distribution |               |          |                   |          |                 |          |              |                  |                 |              | Specifically<br>Assigned<br>Customer |
|                                   |                 |                      | Transmission   | Energy       | Demand       | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services     | Meters           | Street Lighting | Accounting   |                                      |
|                                   |                 |                      | Demand         |              | Demand       | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer     | Customer         | Customer        | Customer     |                                      |
|                                   |                 | (1 CP kW)            | (MWh @ Gen)    | (CP kW)      | (CP kW)      | (CP kW)      | (CP kW)      | (Rural Cust)  | (CP kW)  | (Rural Cust)      | (CP kW)  | (Rural Cust)    | (CP kW)  | (Rural Cust) | (Wtd Rural Cust) |                 | (Rural Cust) |                                      |
| Amounts                           |                 |                      |                |              |              |              |              |               |          |                   |          |                 |          |              |                  |                 |              |                                      |
| 1 Newfoundland Power              | -               | 956,604              | 4,626,329      | 923,476      | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| 2 Industrial - Firm               | -               | 168,467              | 1,432,529      | 162,633      | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| 3 Industrial - Non-Firm           | -               | -                    | 11,509         | -            | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| Rural                             |                 |                      |                |              |              |              |              |               |          |                   |          |                 |          |              |                  |                 |              |                                      |
| 4 1.1 Domestic                    | -               | 28,310               | 122,826        | 27,329       | 27,329       | 27,164       | 25,002       | 12,256        | 24,637   | 12,256            | 23,507   | 12,256          | 12,256   | 12,256       | -                | 12,256          | -            |                                      |
| 5 1.12 Domestic All Electric      | -               | 35,929               | 125,657        | 34,685       | 34,685       | 34,475       | 31,732       | 6,783         | 31,268   | 6,783             | 29,834   | 6,783           | 6,783    | 6,783        | -                | 6,783           | -            |                                      |
| 6 1.3 Special                     | -               | 60                   | 252            | 58           | 58           | 57           | 53           | 2             | 52       | 2                 | 50       | 2               | 2        | 2            | -                | 2               | -            |                                      |
| 7 2.1 GS 0-10 kW                  | -               | 3,779                | 18,050         | 3,648        | 3,648        | 3,626        | 3,338        | 1,931         | 3,289    | 1,931             | 3,138    | 1,931           | 3,862    | 3,862        | -                | 1,931           | -            |                                      |
| 8 2.2 GS 10-100 kW                | -               | 10,847               | 62,219         | 10,471       | 10,471       | 10,408       | 9,580        | 830           | 9,440    | 830               | 9,007    | 830             | 6,699    | 6,699        | -                | 830             | -            |                                      |
| 9 2.3 GS 110-1,000 kVa            | -               | 6,397                | 44,934         | 6,176        | 6,176        | 6,138        | 5,650        | 70            | 4,577    | 70                | 4,367    | 70              | 557      | 600          | -                | 70              | -            |                                      |
| 10 2.4 GS Over 1,000 kVa          | -               | 6,308                | 35,305         | 6,090        | 6,090        | 6,053        | 5,571        | 8             | 2,997    | 8                 | 2,860    | 8               | 43       | 69           | -                | 8               | -            |                                      |
| 11 4.1 Street and Area Lighting   | -               | 837                  | 3,435          | 808          | 808          | 803          | 739          | 974           | 729      | 974               | 695      | 974             | -        | -            | 1                | 974             | -            |                                      |
| 12 Subtotal Rural                 | -               | 92,468               | 412,679        | 89,265       | 89,265       | 88,725       | 81,664       | 22,854        | 76,988   | 22,854            | 73,458   | 22,854          | 30,202   | 30,271       | 1                | 22,854          | -            |                                      |
| 13 Total                          | -               | 1,217,539            | 6,483,046      | 1,175,374    | 89,265       | 88,725       | 81,664       | 22,854        | 76,988   | 22,854            | 73,458   | 22,854          | 30,202   | 30,271       | 1                | 22,854          | -            |                                      |
| Ratios Excluding Return on Equity |                 |                      |                |              |              |              |              |               |          |                   |          |                 |          |              |                  |                 |              |                                      |
| 14 Newfoundland Power             | -               | 0.7857               | 0.7136         | 0.7857       | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| 15 Industrial - Firm              | -               | 0.1384               | 0.2210         | 0.1384       | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| 16 Industrial - Non-Firm          | -               | -                    | 0.0018         | -            | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -            | -                | -               | -            | -                                    |
| Rural                             |                 |                      |                |              |              |              |              |               |          |                   |          |                 |          |              |                  |                 |              |                                      |
| 17 1.1 Domestic                   | -               | 0.0233               | 0.0189         | 0.0233       | 0.3062       | 0.3062       | 0.3062       | 0.5363        | 0.3200   | 0.5363            | 0.3200   | 0.5363          | 0.4058   | 0.4049       | -                | 0.5363          | -            |                                      |
| 18 1.12 Domestic All Electric     | -               | 0.0295               | 0.0194         | 0.0295       | 0.3886       | 0.3886       | 0.3886       | 0.2968        | 0.4061   | 0.2968            | 0.4061   | 0.2968          | 0.2246   | 0.2241       | -                | 0.2968          | -            |                                      |
| 19 1.3 Special                    | -               | 0.0000               | 0.0000         | 0.0000       | 0.0006       | 0.0006       | 0.0006       | 0.0001        | 0.0007   | 0.0001            | 0.0007   | 0.0001          | 0.0001   | 0.0001       | -                | 0.0001          | -            |                                      |
| 20 2.1 GS 0-10 kW                 | -               | 0.0031               | 0.0028         | 0.0031       | 0.0409       | 0.0409       | 0.0409       | 0.0845        | 0.0427   | 0.0845            | 0.0427   | 0.0845          | 0.1279   | 0.1276       | -                | 0.0845          | -            |                                      |
| 21 2.2 GS 10-100 kW               | -               | 0.0089               | 0.0096         | 0.0089       | 0.1173       | 0.1173       | 0.1173       | 0.0363        | 0.1226   | 0.0363            | 0.1226   | 0.0363          | 0.2218   | 0.2213       | -                | 0.0363          | -            |                                      |
| 22 2.3 GS 110-1,000 kVa           | -               | 0.0053               | 0.0069         | 0.0053       | 0.0692       | 0.0692       | 0.0692       | 0.0031        | 0.0594   | 0.0031            | 0.0594   | 0.0031          | 0.0184   | 0.0198       | -                | 0.0031          | -            |                                      |
| 23 2.4 GS Over 1,000 kVa          | -               | 0.0052               | 0.0054         | 0.0052       | 0.0682       | 0.0682       | 0.0682       | 0.0004        | 0.0389   | 0.0004            | 0.0389   | 0.0004          | 0.0014   | 0.0023       | -                | 0.0004          | -            |                                      |
| 24 4.1 Street and Area Lighting   | -               | 0.0007               | 0.0005         | 0.0007       | 0.0091       | 0.0091       | 0.0091       | 0.0426        | 0.0095   | 0.0426            | 0.0095   | 0.0426          | -        | -            | 1.0000           | 0.0426          | -            |                                      |
| 25 Subtotal Rural                 | -               | 0.0759               | 0.0637         | 0.0759       | 1.0000       | 1.0000       | 1.0000       | 1.0000        | 1.0000   | 1.0000            | 1.0000   | 1.0000          | 1.0000   | 1.0000       | 1.0000           | 1.0000          | -            |                                      |
| 26 Total                          | -               | 1.0000               | 1.0000         | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000        | 1.0000   | 1.0000            | 1.0000   | 1.0000          | 1.0000   | 1.0000       | 1.0000           | 1.0000          | -            |                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**

**Allocation of Functionalized Amounts to Classes of Service**

| Line No.                                              | 1                            | 2                  | 3                      | 4                                       | 5                        | 6                                     | 7                       | 8                         | 9                | 10                            | 11             | 12                          | 13             | 14                     | 15                   | 16                            | 17                       | 18                                  |
|-------------------------------------------------------|------------------------------|--------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------------------|------------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                                                       | Description                  | Total Amount (\$)  | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)    | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Allocated Revenue Requirement Excluding Return</b> |                              |                    |                        |                                         |                          |                                       |                         |                           |                  |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                                                     | Newfoundland Power           | 121,777,450        | 28,248,401             | 79,844,156                              | 12,390,702               | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 1,294,192                           |
| 2                                                     | Industrial - Firm            | 32,124,117         | 4,974,803              | 24,723,498                              | 2,182,116                | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 243,700                             |
| 3                                                     | Industrial - Non-Firm        | 198,636            | -                      | 198,636                                 | -                        | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Rural</b>                                          |                              |                    |                        |                                         |                          |                                       |                         |                           |                  |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 4                                                     | 1.1 Domestic                 | 11,331,422         | 835,976                | 2,119,818                               | 366,687                  | 2,500,493                             | 462,202                 | 1,769,147                 | 680,208          | 96,491                        | 286,224        | 223,174                     | 408,127        | 177,379                | 168,458              | -                             | 1,237,037                | -                                   |
| 5                                                     | 1.12 Domestic All Electric   | 11,742,970         | 1,060,985              | 2,168,672                               | 465,384                  | 3,173,520                             | 586,608                 | 2,245,326                 | 376,457          | 122,462                       | 158,409        | 283,243                     | 225,875        | 98,169                 | 93,232               | -                             | 684,630                  | -                                   |
| 6                                                     | 1.3 Special                  | 18,042             | 1,766                  | 4,348                                   | 775                      | 5,282                                 | 976                     | 3,737                     | 111              | 204                           | 47             | 471                         | 67             | 29                     | 27                   | -                             | 202                      | -                                   |
| 7                                                     | 2.1 GS 0-10 kW               | 1,666,909          | 111,604                | 311,518                                 | 48,953                   | 333,820                               | 61,705                  | 236,184                   | 107,171          | 12,882                        | 45,096         | 29,794                      | 64,303         | 55,894                 | 53,083               | -                             | 194,902                  | -                                   |
| 8                                                     | 2.2 GS 10-100 kW             | 3,836,007          | 320,304                | 1,073,822                               | 140,496                  | 958,063                               | 177,093                 | 677,848                   | 46,065           | 36,970                        | 19,384         | 85,509                      | 27,639         | 96,958                 | 92,081               | -                             | 83,775                   | -                                   |
| 9                                                     | 2.3 GS 110-1,000 kVa         | 2,207,177          | 188,912                | 775,497                                 | 82,863                   | 565,056                               | 104,448                 | 399,788                   | 3,885            | 17,926                        | 1,635          | 41,460                      | 2,331          | 8,063                  | 8,247                | -                             | 7,065                    | -                                   |
| 10                                                    | 2.4 GS Over 1,000 kVa        | 1,973,908          | 186,288                | 609,315                                 | 81,712                   | 557,206                               | 102,996                 | 394,234                   | 444              | 11,739                        | 187            | 27,150                      | 266            | 620                    | 943                  | -                             | 807                      | -                                   |
| 11                                                    | 4.1 Street and Area Lighting | 564,104            | 24,724                 | 59,288                                  | 10,845                   | 73,952                                | 13,670                  | 52,323                    | 54,057           | 2,854                         | 22,747         | 6,600                       | 32,434         | -                      | -                    | 112,302                       | 98,309                   | -                                   |
| 12                                                    | <b>Subtotal Rural</b>        | <b>33,340,540</b>  | <b>2,730,558</b>       | <b>7,122,279</b>                        | <b>1,197,715</b>         | <b>8,167,393</b>                      | <b>1,509,698</b>        | <b>5,778,586</b>          | <b>1,268,398</b> | <b>301,527</b>                | <b>533,727</b> | <b>697,403</b>              | <b>761,043</b> | <b>437,112</b>         | <b>416,071</b>       | <b>112,302</b>                | <b>2,306,727</b>         | <b>-</b>                            |
| 13                                                    | <b>Total</b>                 | <b>187,440,743</b> | <b>35,953,762</b>      | <b>111,888,568</b>                      | <b>15,770,534</b>        | <b>8,167,393</b>                      | <b>1,509,698</b>        | <b>5,778,586</b>          | <b>1,268,398</b> | <b>301,527</b>                | <b>533,727</b> | <b>697,403</b>              | <b>761,043</b> | <b>437,112</b>         | <b>416,071</b>       | <b>112,302</b>                | <b>2,306,727</b>         | <b>1,537,892</b>                    |
| <b>Allocated Return on Debt</b>                       |                              |                    |                        |                                         |                          |                                       |                         |                           |                  |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 14                                                    | Newfoundland Power           | 55,255,363         | 19,077,392             | 25,427,087                              | 10,068,739               | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 682,144                             |
| 15                                                    | Industrial - Firm            | 13,120,125         | 3,359,704              | 7,873,420                               | 1,773,197                | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 113,804                             |
| 16                                                    | Industrial - Non-Firm        | 63,257             | -                      | 63,257                                  | -                        | -                                     | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Rural</b>                                          |                              |                    |                        |                                         |                          |                                       |                         |                           |                  |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 17                                                    | 1.1 Domestic                 | 4,965,154          | 564,571                | 675,075                                 | 297,972                  | 1,888,295                             | 213,962                 | 624,485                   | 240,103          | 37,411                        | 110,973        | 75,206                      | 139,402        | 47,733                 | 37,589               | -                             | 12,377                   | -                                   |
| 18                                                    | 1.12 Domestic All Electric   | 5,714,452          | 716,530                | 690,633                                 | 378,173                  | 2,396,544                             | 271,551                 | 792,569                   | 132,883          | 47,480                        | 61,417         | 95,449                      | 77,151         | 26,417                 | 20,804               | -                             | 6,850                    | -                                   |
| 19                                                    | 1.3 Special                  | 9,301              | 1,193                  | 1,385                                   | 629                      | 3,989                                 | 452                     | 1,319                     | 39               | 79                            | 18             | 159                         | 23             | 8                      | 6                    | -                             | 2                        | -                                   |
| 20                                                    | 2.1 GS 0-10 kW               | 699,530            | 75,371                 | 99,206                                  | 39,780                   | 252,091                               | 28,564                  | 83,370                    | 37,830           | 4,994                         | 17,484         | 10,040                      | 21,964         | 15,041                 | 11,845               | -                             | 1,950                    | -                                   |
| 21                                                    | 2.2 GS 10-100 kW             | 1,841,043          | 216,315                | 341,968                                 | 114,168                  | 723,500                               | 81,979                  | 239,271                   | 16,260           | 14,334                        | 7,515          | 28,815                      | 9,441          | 26,091                 | 20,547               | -                             | 838                      | -                                   |
| 22                                                    | 2.3 GS 110-1,000 kVa         | 1,085,867          | 127,581                | 246,964                                 | 67,335                   | 426,713                               | 48,351                  | 141,120                   | 1,371            | 6,950                         | 634            | 13,972                      | 796            | 2,170                  | 1,840                | -                             | 71                       | -                                   |
| 23                                                    | 2.4 GS Over 1,000 kVa        | 1,008,278          | 125,808                | 194,042                                 | 66,400                   | 420,785                               | 47,679                  | 139,159                   | 157              | 4,551                         | 72             | 9,149                       | 91             | 167                    | 210                  | -                             | 8                        | -                                   |
| 24                                                    | 4.1 Street and Area Lighting | 215,668            | 16,697                 | 18,881                                  | 8,813                    | 55,846                                | 6,328                   | 18,469                    | 19,081           | 1,106                         | 8,819          | 2,224                       | 11,078         | -                      | -                    | 47,341                        | 984                      | -                                   |
| 25                                                    | <b>Subtotal Rural</b>        | <b>15,539,292</b>  | <b>1,844,067</b>       | <b>2,268,154</b>                        | <b>973,269</b>           | <b>6,167,762</b>                      | <b>698,866</b>          | <b>2,039,762</b>          | <b>447,725</b>   | <b>116,906</b>                | <b>206,933</b> | <b>235,014</b>              | <b>259,945</b> | <b>117,627</b>         | <b>92,842</b>        | <b>47,341</b>                 | <b>23,080</b>            | <b>-</b>                            |
| 26                                                    | <b>Total</b>                 | <b>83,978,036</b>  | <b>24,281,163</b>      | <b>35,631,918</b>                       | <b>12,815,205</b>        | <b>6,167,762</b>                      | <b>698,866</b>          | <b>2,039,762</b>          | <b>447,725</b>   | <b>116,906</b>                | <b>206,933</b> | <b>235,014</b>              | <b>259,945</b> | <b>117,627</b>         | <b>92,842</b>        | <b>47,341</b>                 | <b>23,080</b>            | <b>795,947</b>                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

| Line No.                                   | 1<br>Description             | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Rural Prod & Transmission Demand (\$) | 7<br>Substations Demand (\$) | 8<br>Primary Lines Demand (\$) | 9<br>Customer (\$) | 10<br>Line Transformers Demand (\$) | 11<br>Customer (\$) | 12<br>Secondary Lines Demand (\$) | 13<br>Customer (\$) | 14<br>Services Customer (\$) | 15<br>Meters Customer (\$) | 16<br>Street Lighting Customer (\$) | 17<br>Accounting Customer (\$) | 18<br>Specifically Assigned Customer (\$) |
|--------------------------------------------|------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|--------------------------------------------|------------------------------|--------------------------------|--------------------|-------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Allocated Return on Equity</b>          |                              |                        |                             |                                              |                               |                                            |                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 27                                         | Newfoundland Power           | 4,252,977              | 1,468,377                   | 1,957,110                                    | 774,986                       | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 52,504                                    |
| 28                                         | Industrial - Firm            | 1,009,849              | 258,595                     | 606,013                                      | 136,482                       | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 8,759                                     |
| 29                                         | Industrial - Non-Firm        | 4,869                  | -                           | 4,869                                        | -                             | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 30                                         | Rural                        |                        |                             |                                              |                               |                                            |                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 31                                         | 1.1 Domestic                 | 118,350                | 43,455                      | 51,960                                       | 22,935                        | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 32                                         | 1.12 Domestic All Electric   | 137,416                | 55,151                      | 53,158                                       | 29,108                        | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 33                                         | 1.3 Special                  | 247                    | 92                          | 107                                          | 48                            | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 34                                         | 2.1 GS 0-10 kW               | 16,499                 | 5,801                       | 7,636                                        | 3,062                         | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 35                                         | 2.2 GS 10-100 kW             | 51,758                 | 16,650                      | 26,321                                       | 8,787                         | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 36                                         | 2.3 GS 110-1,000 kVa         | 34,011                 | 9,820                       | 19,009                                       | 5,183                         | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 37                                         | 2.4 GS Over 1,000 kVa        | 29,729                 | 9,683                       | 14,935                                       | 5,111                         | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 38                                         | 4.1 Street and Area Lighting | 3,417                  | 1,285                       | 1,453                                        | 678                           | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 38                                         | <b>Subtotal Rural</b>        | <b>391,427</b>         | <b>141,937</b>              | <b>174,579</b>                               | <b>74,912</b>                 | <b>-</b>                                   | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                            | <b>-</b>            | <b>-</b>                          | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                  |
| 39                                         | <b>Total</b>                 | <b>5,659,122</b>       | <b>1,868,909</b>            | <b>2,742,570</b>                             | <b>986,380</b>                | <b>-</b>                                   | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                            | <b>-</b>            | <b>-</b>                          | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>61,264</b>                             |
| <b>Total Allocated Revenue Requirement</b> |                              |                        |                             |                                              |                               |                                            |                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 40                                         | Newfoundland Power           | 181,285,790            | 48,794,170                  | 107,228,353                                  | 23,234,427                    | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 2,028,840                                 |
| 41                                         | Industrial - Firm            | 46,254,091             | 8,593,101                   | 33,202,931                                   | 4,091,796                     | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 366,263                                   |
| 42                                         | Industrial - Non-Firm        | 266,762                | -                           | 266,762                                      | -                             | -                                          | -                            | -                              | -                  | -                                   | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 43                                         | Rural                        |                        |                             |                                              |                               |                                            |                              |                                |                    |                                     |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 44                                         | 1.1 Domestic                 | 16,414,926             | 1,444,002                   | 2,846,854                                    | 687,594                       | 4,388,788                                  | 676,164                      | 2,393,631                      | 920,312            | 133,902                             | 397,197             | 298,381                           | 547,529             | 225,111                      | 206,047                    | -                                   | 1,249,415                      | -                                         |
| 45                                         | 1.12 Domestic All Electric   | 17,594,838             | 1,832,666                   | 2,912,462                                    | 872,664                       | 5,570,063                                  | 858,159                      | 3,037,895                      | 509,340            | 169,942                             | 219,826             | 378,692                           | 303,026             | 124,586                      | 114,035                    | -                                   | 691,480                        | -                                         |
| 46                                         | 1.3 Special                  | 27,590                 | 3,050                       | 5,839                                        | 1,453                         | 9,271                                      | 1,428                        | 5,057                          | 150                | 283                                 | 65                  | 630                               | 89                  | 37                           | 34                         | -                                   | 204                            | -                                         |
| 47                                         | 2.1 GS 0-10 kW               | 2,382,938              | 192,777                     | 418,360                                      | 91,795                        | 585,911                                    | 90,269                       | 319,554                        | 145,000            | 17,876                              | 62,581              | 39,834                            | 86,266              | 70,935                       | 64,928                     | -                                   | 196,852                        | -                                         |
| 48                                         | 2.2 GS 10-100 kW             | 5,728,808              | 553,269                     | 1,442,111                                    | 263,451                       | 1,681,563                                  | 259,072                      | 917,119                        | 62,325             | 51,304                              | 26,899              | 114,324                           | 37,080              | 123,049                      | 112,628                    | -                                   | 84,613                         | -                                         |
| 49                                         | 2.3 GS 110-1,000 kVa         | 3,327,055              | 326,312                     | 1,041,470                                    | 155,381                       | 991,769                                    | 152,798                      | 540,908                        | 5,256              | 24,876                              | 2,269               | 55,432                            | 3,127               | 10,233                       | 10,087                     | -                                   | 7,136                          | -                                         |
| 50                                         | 2.4 GS Over 1,000 kVa        | 3,011,916              | 321,779                     | 818,293                                      | 153,222                       | 977,991                                    | 150,675                      | 533,393                        | 601                | 16,290                              | 259                 | 36,300                            | 357                 | 787                          | 1,153                      | -                                   | 816                            | -                                         |
| 51                                         | 4.1 Street and Area Lighting | 783,189                | 42,706                      | 79,622                                       | 20,336                        | 129,798                                    | 19,998                       | 70,792                         | 73,138             | 3,960                               | 31,566              | 8,825                             | 43,513              | -                            | -                          | 159,643                             | 99,293                         | -                                         |
| 51                                         | <b>Subtotal Rural</b>        | <b>49,271,259</b>      | <b>4,716,562</b>            | <b>9,565,011</b>                             | <b>2,245,896</b>              | <b>14,335,155</b>                          | <b>2,208,564</b>             | <b>7,818,349</b>               | <b>1,716,123</b>   | <b>418,433</b>                      | <b>740,661</b>      | <b>932,418</b>                    | <b>1,020,988</b>    | <b>554,739</b>               | <b>508,912</b>             | <b>159,643</b>                      | <b>2,329,808</b>               | <b>-</b>                                  |
| 52                                         | <b>Total</b>                 | <b>277,077,901</b>     | <b>62,103,833</b>           | <b>150,263,056</b>                           | <b>29,572,118</b>             | <b>14,335,155</b>                          | <b>2,208,564</b>             | <b>7,818,349</b>               | <b>1,716,123</b>   | <b>418,433</b>                      | <b>740,661</b>      | <b>932,418</b>                    | <b>1,020,988</b>    | <b>554,739</b>               | <b>508,912</b>             | <b>159,643</b>                      | <b>2,329,808</b>               | <b>2,395,103</b>                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Interconnected**  
**Allocation of Specifically Assigned Amounts to Classes of Service**

| Line No.                             | Description                     | Total Amount (\$) | 3                                  | 4                         | 5                                          | 6                      | 7                                  | 8                         | 9                                               | 10             | 11                            | 12                      | 13                         | 14                        | 15                | 16                |
|--------------------------------------|---------------------------------|-------------------|------------------------------------|---------------------------|--------------------------------------------|------------------------|------------------------------------|---------------------------|-------------------------------------------------|----------------|-------------------------------|-------------------------|----------------------------|---------------------------|-------------------|-------------------|
|                                      |                                 |                   | OM&A                               |                           |                                            |                        | Depreciation                       |                           |                                                 |                | Expense Credits               |                         |                            | Subtotal Excluding Return | Return on Debt    | Return on Equity  |
|                                      |                                 |                   | Transmission Lines (\$)<br>(Plant) | Terminals (\$)<br>(Plant) | Administrative & General (\$)<br>(C2 & C3) | Other (\$)<br>(Direct) | Transmission Lines (\$)<br>(Plant) | Terminals (\$)<br>(Plant) | Telecontrol & Feasibility Study (\$)<br>(Plant) | General (\$)   | Rental Income (\$)<br>(Plant) | Other (\$)<br>(C4 + C5) | Gains/Losses (\$)<br>(NBV) |                           |                   |                   |
| <b>Basis of Allocation - Amounts</b> |                                 |                   |                                    |                           |                                            |                        |                                    |                           |                                                 |                |                               |                         |                            |                           |                   |                   |
| 1                                    | Newfoundland Power Industrial   |                   | 3,353,033                          | 9,572,391                 | 12,925,424                                 | -                      | -                                  | -                         | -                                               | 495,112        | 9,572,391                     | 12,925,424              | 9,052,463                  | -                         | 9,052,463         | 9,052,463         |
| 2                                    | Abitibi Consolidated - S'ville  |                   | 122,926                            | 489,197                   | 612,123                                    | -                      | -                                  | -                         | -                                               | 13,818         | 489,197                       | 612,123                 | 507,734                    | -                         | 507,734           | 507,734           |
| 3                                    | Abitibi Consolidated - GF       |                   | 23,765                             | 71,562                    | 95,327                                     | -                      | -                                  | -                         | -                                               | 1,088          | 71,562                        | 95,327                  | 77,714                     | -                         | 77,714            | 77,714            |
| 4                                    | Corner Brook P & P - CB         |                   | -                                  | 1,642,955                 | 1,642,955                                  | -                      | -                                  | -                         | -                                               | 1,312          | 1,642,955                     | 1,642,955               | 126,337                    | -                         | 126,337           | 126,337           |
| 5                                    | Corner Brook P & P - DL         |                   | -                                  | 23,100                    | 23,100                                     | -                      | -                                  | -                         | -                                               | 157            | 23,100                        | 23,100                  | 22,049                     | -                         | 22,049            | 22,049            |
| 6                                    | North Atlantic Refining Limited |                   | -                                  | 1,178,595                 | 1,178,595                                  | -                      | -                                  | -                         | -                                               | 38,562         | 1,178,595                     | 1,178,595               | 776,409                    | -                         | 776,409           | 776,409           |
| 7                                    | <b>Subtotal Industrial</b>      |                   | <b>146,691</b>                     | <b>3,405,409</b>          | <b>3,552,100</b>                           | <b>-</b>               | <b>-</b>                           | <b>-</b>                  | <b>-</b>                                        | <b>54,936</b>  | <b>3,405,409</b>              | <b>3,552,100</b>        | <b>1,510,243</b>           | <b>-</b>                  | <b>1,510,243</b>  | <b>1,510,243</b>  |
| 8                                    | <b>Total</b>                    |                   | <b>3,499,724</b>                   | <b>12,977,800</b>         | <b>16,477,525</b>                          | <b>-</b>               | <b>-</b>                           | <b>-</b>                  | <b>-</b>                                        | <b>550,048</b> | <b>12,977,800</b>             | <b>16,477,525</b>       | <b>10,562,707</b>          | <b>-</b>                  | <b>10,562,707</b> | <b>10,562,707</b> |
| <b>Basis of Allocation - Ratios</b>  |                                 |                   |                                    |                           |                                            |                        |                                    |                           |                                                 |                |                               |                         |                            |                           |                   |                   |
| 9                                    | Newfoundland Power Industrial   |                   | 0.9581                             | 0.7376                    | 0.7844                                     | -                      | -                                  | -                         | -                                               | 0.9001         | 0.7376                        | 0.7844                  | 0.8570                     | -                         | 0.8570            | 0.8570            |
| 10                                   | Abitibi Consolidated - S'ville  |                   | 0.0351                             | 0.0377                    | 0.0371                                     | -                      | -                                  | -                         | -                                               | 0.0251         | 0.0377                        | 0.0371                  | 0.0481                     | -                         | 0.0481            | 0.0481            |
| 11                                   | Abitibi Consolidated - GF       |                   | 0.0068                             | 0.0055                    | 0.0058                                     | -                      | -                                  | -                         | -                                               | 0.0020         | 0.0055                        | 0.0058                  | 0.0074                     | -                         | 0.0074            | 0.0074            |
| 12                                   | Corner Brook P & P - CB         |                   | -                                  | 0.1266                    | 0.0997                                     | -                      | -                                  | -                         | -                                               | 0.0024         | 0.1266                        | 0.0997                  | 0.0120                     | -                         | 0.0120            | 0.0120            |
| 13                                   | Corner Brook P & P - DL         |                   | -                                  | 0.0018                    | 0.0014                                     | -                      | -                                  | -                         | -                                               | 0.0003         | 0.0018                        | 0.0014                  | 0.0021                     | -                         | 0.0021            | 0.0021            |
| 14                                   | North Atlantic Refining Ltd.    |                   | -                                  | 0.0908                    | 0.0715                                     | -                      | -                                  | -                         | -                                               | 0.0701         | 0.0908                        | 0.0715                  | 0.0735                     | -                         | 0.0735            | 0.0735            |
| 15                                   | <b>Subtotal Industrial</b>      |                   | <b>0.0419</b>                      | <b>0.2624</b>             | <b>0.2156</b>                              | <b>-</b>               | <b>-</b>                           | <b>-</b>                  | <b>-</b>                                        | <b>0.0999</b>  | <b>0.2624</b>                 | <b>0.2156</b>           | <b>0.1430</b>              | <b>-</b>                  | <b>0.1430</b>     | <b>0.1430</b>     |
| 16                                   | <b>Total</b>                    |                   | <b>1.0000</b>                      | <b>1.0000</b>             | <b>1.0000</b>                              | <b>-</b>               | <b>-</b>                           | <b>-</b>                  | <b>-</b>                                        | <b>1.0000</b>  | <b>1.0000</b>                 | <b>1.0000</b>           | <b>1.0000</b>              | <b>-</b>                  | <b>1.0000</b>     | <b>1.0000</b>     |
| <b>Amounts Allocated</b>             |                                 |                   |                                    |                           |                                            |                        |                                    |                           |                                                 |                |                               |                         |                            |                           |                   |                   |
| 17                                   | Newfoundland Power Industrial   | 2,028,840         | 66,786                             | 258,690                   | 252,736                                    | -                      | 153,425                            | 341,687                   | -                                               | 217,053        | (34)                          | (3,309)                 | 7,157                      | 1,294,192                 | 682,144           | 52,504            |
| 18                                   | Abitibi Consolidated - S'ville  | 88,962            | 2,448                              | 13,220                    | 11,969                                     | -                      | 1,188                              | 12,631                    | -                                               | 6,058          | (2)                           | (157)                   | 401                        | 47,757                    | 38,260            | 2,945             |
| 19                                   | Abitibi Consolidated - GF       | 12,179            | 473                                | 1,934                     | 1,864                                      | -                      | -                                  | 1,088                     | -                                               | 477            | (0)                           | (24)                    | 61                         | 5,873                     | 5,856             | 451               |
| 20                                   | Corner Brook P & P - CB         | 88,339            | -                                  | 44,400                    | 32,125                                     | -                      | -                                  | 1,312                     | -                                               | 575            | (6)                           | (421)                   | 100                        | 78,086                    | 9,520             | 733               |
| 21                                   | Corner Brook P & P - DL         | 3,102             | -                                  | 624                       | 452                                        | -                      | -                                  | 157                       | -                                               | 69             | (0)                           | (6)                     | 17                         | 1,313                     | 1,661             | 128               |
| 22                                   | North Atlantic Refining Ltd.    | 173,680           | -                                  | 31,851                    | 23,046                                     | -                      | -                                  | 38,562                    | -                                               | 16,905         | (4)                           | (302)                   | 614                        | 110,671                   | 58,506            | 4,503             |
| 23                                   | <b>Subtotal Industrial</b>      | <b>366,263</b>    | <b>2,922</b>                       | <b>92,030</b>             | <b>69,456</b>                              | <b>-</b>               | <b>1,188</b>                       | <b>53,749</b>             | <b>-</b>                                        | <b>24,084</b>  | <b>(12)</b>                   | <b>(909)</b>            | <b>1,194</b>               | <b>243,700</b>            | <b>113,804</b>    | <b>8,759</b>      |
| 24                                   | <b>Total</b>                    | <b>2,395,103</b>  | <b>69,708</b>                      | <b>350,720</b>            | <b>322,192</b>                             | <b>-</b>               | <b>154,612</b>                     | <b>395,436</b>            | <b>-</b>                                        | <b>241,137</b> | <b>(46)</b>                   | <b>(4,218)</b>          | <b>8,351</b>               | <b>1,537,892</b>          | <b>795,947</b>    | <b>61,264</b>     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Functional Classification of Revenue Requirement**

|  | 1 | 2 | 3 | 4              | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|---|---|---|---|---|----|----|----|----|----|----|----|----|
|  |   |   |   | Production and |   |   |   |   |   |    |    |    |    |    |    |    |    |
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NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Revenue Requirement - Documentation

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| Line No. | Description                                    | Basis of Functional Classification                                |
|----------|------------------------------------------------|-------------------------------------------------------------------|
|          | <b>Expenses</b>                                |                                                                   |
| 1        | Operating & Maintenance                        | Carryforward from Sch.2.4 L.21                                    |
| 2        | Fuels                                          | Production - Energy                                               |
| 3        | Fuels-Diesel                                   | Production - Energy                                               |
| 4        | Fuels-Gas Turbine                              | Production - Energy                                               |
| 5        | Power Purchases -CF(L)Co                       |                                                                   |
| 6        | Power Purchases-Other                          |                                                                   |
| 7        | Depreciation                                   | Carryforward from Sch.2.5 L.24                                    |
|          | <b>Expense Credits</b>                         |                                                                   |
| 8        | Sundry                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9        | Building Rental Income                         | Prorated on General Plant - Sch.2.2 L.18                          |
| 10       | Tax Refunds                                    | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11       | Suppliers' Discounts                           | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12       | Pole Attachments                               | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13       | Secondary Energy Revenues                      | Production - Energy                                               |
| 14       | Wheeling Revenues                              | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15       | Application Fees                               | Accounting - Customer                                             |
| 16       | <b>Total Expense Credits</b>                   |                                                                   |
| 17       | <b>Subtotal Expenses</b>                       |                                                                   |
| 18       | Disposal Gain / Loss                           | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 19       | <b>Subtotal Revenue Requirement Ex. Return</b> |                                                                   |
| 20       | Return on Debt                                 | Prorated on Rate Base - Sch.2.6 L.8                               |
| 21       | Return on Equity                               | Prorated on Rate Base - Sch.2.6 L.10                              |
| 22       | <b>Total Revenue Requirement</b>               |                                                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**

**Functional Classification of Plant in Service for the Allocation of O&M Expense**

|  | 1 | 2 | 3 | 4              | 5            | 6      | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|--------------|--------|---|---|---|----|----|----|----|----|----|----|----|
|  |   |   |   | Production and |              |        |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | Transmission   | Transmissior |        |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | Energy         | Demand       | Demand |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | (\$)           | (\$)         | (\$)   |   |   |   |    |    |    |    |    |    |    |    |
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NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No.            | Description                           | Basis of Functional Classification                                                               |
|---------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                       |                                                                                                  |
| 1                   | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.6                                                   |
| 2                   | <b>Subtotal Production</b>            |                                                                                                  |
| <b>Transmission</b> |                                       |                                                                                                  |
| 3                   | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4                   | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5                   | <b>Subtotal Transmission</b>          |                                                                                                  |
| <b>Distribution</b> |                                       |                                                                                                  |
| 6                   | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7                   | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8                   | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9                   | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10                  | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11                  | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12                  | Secondary Conductors & Equipment      | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13                  | Services                              | Services Customer                                                                                |
| 14                  | Meters                                | Meters - Customer                                                                                |
| 15                  | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16                  | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18                  | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19                  | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20                  | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21                  | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22                  | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23                  | Software - Cust Acctng                | Customer Accounting                                                                              |
| 24                  | <b>Total Plant</b>                    |                                                                                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Net Book Value

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmissior Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 10,171,321        | 6,645,450              | 3,525,871                               | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>10,171,321</b> | <b>6,645,450</b>       | <b>3,525,871</b>                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 145,362           | 145,362                | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 703,224           | -                      | -                                       | -                        | -                       | 406,708                   | 138,994        | -                             | -             | 71,988                      | 85,535         | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 31,859            | -                      | -                                       | -                        | -                       | 28,259                    | 3,600          | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 86,914            | -                      | -                                       | -                        | -                       | -                         | -              | 31,376                        | 55,538        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 51,735            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | 30,161                      | 21,573         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 84,637            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | 84,637                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 49,197            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | 49,197               | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 11,868            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | 11,868                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>1,164,795</b>  | <b>145,362</b>         | -                                       | -                        | -                       | <b>434,967</b>            | <b>142,594</b> | <b>31,376</b>                 | <b>55,538</b> | <b>102,149</b>              | <b>107,108</b> | <b>84,637</b>          | <b>49,197</b>        | <b>11,868</b>                 | -                        | -                                   |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>11,336,116</b> | <b>6,790,812</b>       | <b>3,525,871</b>                        | -                        | -                       | <b>434,967</b>            | <b>142,594</b> | <b>31,376</b>                 | <b>55,538</b> | <b>102,149</b>              | <b>107,108</b> | <b>84,637</b>          | <b>49,197</b>        | <b>11,868</b>                 | -                        | -                                   |
| 18                  | General                               | 58,105            | 34,807                 | 18,072                                  | -                        | -                       | 2,229                     | 731            | 161                           | 285           | 524                         | 549            | 434                    | 252                  | 61                            | -                        | -                                   |
| 19                  | Telecontrol - Common                  | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 43,476            | 26,044                 | 13,522                                  | -                        | -                       | 1,668                     | 547            | 120                           | 213           | 392                         | 411            | 325                    | 189                  | 46                            | -                        | -                                   |
| 23                  | Software - Cust Acctng                | 15,605            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -              | -                      | -                    | -                             | 15,605                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>11,453,301</b> | <b>6,851,663</b>       | <b>3,557,466</b>                        | -                        | -                       | <b>438,865</b>            | <b>143,871</b> | <b>31,657</b>                 | <b>56,036</b> | <b>103,064</b>              | <b>108,068</b> | <b>85,395</b>          | <b>49,638</b>        | <b>11,974</b>                 | <b>15,605</b>            | -                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Functional Classification of Operating & Maintenance Expense**

| Line No.                | 1                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-------------------------|---------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                         | Description                                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>       |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 1                       | Diesel                                            | 2,344,358         | 1,531,690              | 812,668                                 | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 2                       | <b>Subtotal Production</b>                        | <b>2,344,358</b>  | <b>1,531,690</b>       | <b>812,668</b>                          | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b>     |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 3                       | Transmission Lines                                | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 4                       | Terminal Stations                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 5                       | <b>Subtotal Transmission</b>                      | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>                    | <b>-</b>                      | <b>-</b>                        | <b>-</b>                    | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b>     |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 6                       | Other                                             | 659,343           | -                      | -                                       | -                        | 55,499                  | 349,262                   | 80,412                      | 17,069                        | 30,214                          | 44,259                      | 48,549                        | 27,967                 | -                    | 6,113                         | -                        | -                                   |
| 7                       | Meters                                            | 7,387             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | 7,387                | -                             | -                        | -                                   |
| 8                       | <b>Subtotal Distribution</b>                      | <b>666,730</b>    | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>55,499</b>           | <b>349,262</b>            | <b>80,412</b>               | <b>17,069</b>                 | <b>30,214</b>                   | <b>44,259</b>               | <b>48,549</b>                 | <b>27,967</b>          | <b>7,387</b>         | <b>6,113</b>                  | <b>-</b>                 | <b>-</b>                            |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>             | <b>3,011,088</b>  | <b>1,531,690</b>       | <b>812,668</b>                          | <b>-</b>                 | <b>55,499</b>           | <b>349,262</b>            | <b>80,412</b>               | <b>17,069</b>                 | <b>30,214</b>                   | <b>44,259</b>               | <b>48,549</b>                 | <b>27,967</b>          | <b>7,387</b>         | <b>6,113</b>                  | <b>-</b>                 | <b>-</b>                            |
| 10                      | Customer Accounting                               | 66,844            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | 66,844                   | -                                   |
| <b>Overheads</b>        |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| <b>Plant-Related:</b>   |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 11                      | Production                                        | 49,386            | 32,266                 | 17,119                                  | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 12                      | Transmission                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 13                      | Distribution                                      | 11,201            | 1,192                  | -                                       | -                        | -                       | 4,475                     | 1,413                       | 294                           | 520                             | 1,083                       | 1,104                         | 683                    | 327                  | 111                           | -                        | -                                   |
| 14                      | Prod, Trans, Distn Plant                          | 383,214           | 215,867                | 110,970                                 | -                        | -                       | 25,209                    | 7,958                       | 1,655                         | 2,929                           | 6,101                       | 6,217                         | 3,844                  | 1,839                | 624                           | -                        | -                                   |
| 15                      | Telecontrol Plant                                 | 391               | 255                    | 135                                     | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 16                      | Prod, Trans, Distn and Gen Plt                    | 409               | 230                    | 118                                     | -                        | -                       | 27                        | 8                           | 2                             | 3                               | 7                           | 7                             | 4                      | 2                    | 1                             | 0                        | -                                   |
| <b>Expense Related:</b> |                                                   |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 17                      | Property Insurance                                | 10,390            | 6,847                  | 3,520                                   | -                        | -                       | 11                        | 3                           | 1                             | 1                               | 3                           | 3                             | 2                      | 1                    | 0                             | -                        | -                                   |
| 18                      | Municipal Tax                                     | 27,172            | -                      | -                                       | -                        | 2,262                   | 14,234                    | 3,277                       | 696                           | 1,231                           | 1,804                       | 1,979                         | 1,140                  | 301                  | 249                           | -                        | -                                   |
| 19                      | Other Expense Related                             | 1,571,556         | 782,063                | 414,939                                 | -                        | 28,337                  | 178,329                   | 41,057                      | 8,715                         | 15,427                          | 22,598                      | 24,788                        | 14,280                 | 3,772                | 3,121                         | 34,130                   | -                                   |
| 20                      | <b>Subtotal Overheads</b>                         | <b>2,053,719</b>  | <b>1,038,721</b>       | <b>546,802</b>                          | <b>-</b>                 | <b>30,599</b>           | <b>222,285</b>            | <b>53,717</b>               | <b>11,362</b>                 | <b>20,112</b>                   | <b>31,595</b>               | <b>34,097</b>                 | <b>19,952</b>          | <b>6,241</b>         | <b>4,106</b>                  | <b>34,130</b>            | <b>-</b>                            |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b> | <b>5,131,651</b>  | <b>2,570,411</b>       | <b>1,359,470</b>                        | <b>-</b>                 | <b>86,098</b>           | <b>571,547</b>            | <b>134,128</b>              | <b>28,431</b>                 | <b>50,325</b>                   | <b>75,854</b>               | <b>82,646</b>                 | <b>47,919</b>          | <b>13,628</b>        | <b>10,219</b>                 | <b>100,974</b>           | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Operating & Maintenance Expense - Documentation

1

| Line No. | Description                                       | Basis of Functional Classification                                                                    |
|----------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                       |
| 1        | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L6                                                         |
| 2        | <b>Subtotal Production</b>                        |                                                                                                       |
|          | <b>Transmission</b>                               |                                                                                                       |
| 3        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                       |
|          | <b>Distribution</b>                               |                                                                                                       |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                            | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                  |                                                                                                       |
|          | Plant-Related:                                    |                                                                                                       |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14       | Prod, Trans, Distn Plant                          | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16       | Prod, Trans, Distn and Gen Plt                    | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
|          | Expense Related:                                  |                                                                                                       |
| 17       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
| 18       | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Depreciation Expense

| Line No.                            | 1                 | 2                      | 3                                       | 4                        | 5                       | 6             | 7        | 8                 | 9        | 10              | 11       | 12       | 13       | 14     | 15              | 16         | 17                                  |
|-------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|--------|-----------------|------------|-------------------------------------|
| Description                         | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution  |          |                   |          |                 |          |          |          |        |                 |            |                                     |
|                                     |                   |                        |                                         |                          |                         | Primary Lines | Customer | Line Transformers | Customer | Secondary Lines | Customer | Services | Customer | Meters | Street Lighting | Accounting | Specifically Assigned Customer (\$) |
| <b>Production</b>                   |                   |                        |                                         |                          |                         |               |          |                   |          |                 |          |          |          |        |                 |            |                                     |
| 1 Diesel                            | 691,579           | 451,845                | 239,735                                 | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 2 Subtotal Production               | 691,579           | 451,845                | 239,735                                 | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| <b>Transmission</b>                 |                   |                        |                                         |                          |                         |               |          |                   |          |                 |          |          |          |        |                 |            |                                     |
| 3 Lines                             | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 4 Terminal Stations                 | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 5 Subtotal Transmission             | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| <b>Distribution</b>                 |                   |                        |                                         |                          |                         |               |          |                   |          |                 |          |          |          |        |                 |            |                                     |
| 6 Substn Struct & Eqpt              | 8,240             | 8,240                  | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 7 Land & Land Improvements          | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 8 Poles                             | 42,373            | -                      | -                                       | -                        | -                       | 24,506        | 8,375    | -                 | -        | 4,338           | 5,154    | -        | -        | -      | -               | -          | -                                   |
| 9 Primary Conductor & Equipment     | 1,939             | -                      | -                                       | -                        | -                       | 1,720         | 219      | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 10 Submarine Conductor              | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 11 Transformers                     | 4,206             | -                      | -                                       | -                        | -                       | -             | -        | 1,518             | 2,687    | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 12 Secondary Conductors & Equipment | 2,746             | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | 1,601           | 1,145    | -        | -        | -      | -               | -          | -                                   |
| 13 Services                         | 4,757             | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | 4,757    | -        | -      | -               | -          | -                                   |
| 14 Meters                           | 2,471             | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | 2,471    | -      | -               | -          | -                                   |
| 15 Street Lighting                  | 650               | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | 650             | -          | -                                   |
| 16 Subtotal Distribution            | 67,382            | 8,240                  | -                                       | -                        | -                       | 26,227        | 8,594    | 1,518             | 2,687    | 5,938           | 6,299    | 4,757    | 2,471    | 650    | -               | -          | -                                   |
| 17 Subtotal Prod Tran & Dist        | 758,962           | 460,084                | 239,735                                 | -                        | -                       | 26,227        | 8,594    | 1,518             | 2,687    | 5,938           | 6,299    | 4,757    | 2,471    | 650    | -               | -          | -                                   |
| 18 General                          | 8,158             | 4,946                  | 2,577                                   | -                        | -                       | 282           | 92       | 16                | 29       | 64              | 68       | 51       | 27       | 7      | -               | -          | -                                   |
| 19 Telecontrol - Common             | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 20 Telecontrol - Specific           | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 21 Feasibility Studies              | -                 | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | -          | -                                   |
| 22 Software - General               | 76,468            | 46,355                 | 24,154                                  | -                        | -                       | 2,642         | 866      | 153               | 271      | 598             | 635      | 479      | 249      | 66     | -               | -          | -                                   |
| 23 Software - Cust Acctng           | 10,403            | -                      | -                                       | -                        | -                       | -             | -        | -                 | -        | -               | -        | -        | -        | -      | -               | 10,403     | -                                   |
| 24 Total Depreciation Expense       | 853,991           | 511,385                | 266,466                                 | -                        | -                       | 29,151        | 9,553    | 1,688             | 2,987    | 6,601           | 7,001    | 5,287    | 2,747    | 723    | 10,403          | -          | -                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Island Isolated  
Functional Classification of Rate Base

|          | 1                                                               | 2                 | 3                      | 4                        | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16            | 17                                  |
|----------|-----------------------------------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No. | Description                                                     | Total Amount (\$) | Production Demand (\$) | Production and           |                          | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|          |                                                                 |                   |                        | Transmission Energy (\$) | Transmissior Demand (\$) |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|          |                                                                 |                   |                        |                          |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| 1        | Average Net Book Value                                          | 11,453,301        | 6,851,663              | 3,557,466                | -                        | -                       | 438,865       | 143,871       | 31,657            | 56,036        | 103,064         | 108,068       | 85,395        | 49,638        | 11,974          | 15,605        | -                                   |
| 2        | Cash Working Capital                                            | 27,264            | 16,310                 | 8,468                    | -                        | -                       | 1,045         | 342           | 75                | 133           | 245             | 257           | 203           | 118           | 29              | 37            | -                                   |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 4        | Fuel Inventory - Diesel                                         | 181,865           | -                      | 181,865                  | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5        | Fuel Inventory - Gas Turbine                                    | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 6        | Inventory/Supplies                                              | 224,231           | 126,211                | 64,881                   | -                        | -                       | 14,733        | 4,651         | 967               | 1,712         | 3,566           | 3,634         | 2,247         | 1,075         | 365             | 190           | -                                   |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 794,232           | 475,130                | 246,693                  | -                        | -                       | 30,433        | 9,977         | 2,195             | 3,886         | 7,147           | 7,494         | 5,922         | 3,442         | 830             | 1,082         | -                                   |
| 8        | Total Rate Base                                                 | 12,680,894        | 7,469,314              | 4,059,374                | -                        | -                       | 485,076       | 158,842       | 34,895            | 61,767        | 114,022         | 119,452       | 93,767        | 54,273        | 13,198          | 16,914        | -                                   |
| 9        | Less: Rural Portion                                             | (12,680,894)      | (7,469,314)            | (4,059,374)              | -                        | -                       | (485,076)     | (158,842)     | (34,895)          | (61,767)      | (114,022)       | (119,452)     | (93,767)      | (54,273)      | (13,198)        | (16,914)      | -                                   |
| 10       | Rate Base Available for Equity Return                           | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 11       | Return on Debt                                                  | 842,708           | 496,373                | 269,765                  | -                        | -                       | 32,236        | 10,556        | 2,319             | 4,105         | 7,577           | 7,938         | 6,231         | 3,607         | 877             | 1,124         | -                                   |
| 12       | Return on Equity                                                | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 13       | Return on Rate Base                                             | 842,708           | 496,373                | 269,765                  | -                        | -                       | 32,236        | 10,556        | 2,319             | 4,105         | 7,577           | 7,938         | 6,231         | 3,607         | 877             | 1,124         | -                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Functional Classification of Rate Base - Documentation**

| Line<br>No. | Description                                                        | Basis of Functional Classification                  |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Energy                                 |
| 4           | Fuel Inventory - Diesel                                            |                                                     |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and Regulatory<br>Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.2,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.2,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**  
**Basis of Allocation to Classes of Service**

|          | 1                                   | 2            | 3                                | 4                                                 | 5                              | 6                             | 7             | 8            | 9                 | 10           | 11              | 12           | 13               | 14       | 15              | 16           | 17                             |
|----------|-------------------------------------|--------------|----------------------------------|---------------------------------------------------|--------------------------------|-------------------------------|---------------|--------------|-------------------|--------------|-----------------|--------------|------------------|----------|-----------------|--------------|--------------------------------|
| Line No. | Description                         | Total Amount | Production Demand<br><br>(CP kW) | Production and Transmission Energy<br>(MWh @ Gen) | Transmissior Demand<br>(CP kW) | Substations Demand<br>(CP kW) | Distribution  |              |                   |              |                 |              |                  |          |                 |              | Specifically Assigned Customer |
|          |                                     |              |                                  |                                                   |                                |                               | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services         | Meters   | Street Lighting | Accounting   |                                |
|          |                                     |              |                                  |                                                   |                                |                               | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     | Customer         | Customer | Customer        | Customer     |                                |
|          |                                     |              |                                  |                                                   |                                |                               | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wtd Rural Cust) |          | (Rural Cust)    | (Rural Cust) |                                |
| Amounts  |                                     |              |                                  |                                                   |                                |                               |               |              |                   |              |                 |              |                  |          |                 |              |                                |
| 1        | 1.2 Domestic Diesel                 | -            | 2,864                            | 7,934                                             | 2,845                          | 2,845                         | 2,559         | 921          | 2,517             | 921          | 2,374           | 921          | 921              | 921      | -               | 921          | -                              |
| 2        | 1.2G Government Domestic Diesel     | -            | -                                | -                                                 | -                              | -                             | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -                              |
| 3        | 1.23 Churches, Schools & Com Halls  | -            | 133                              | 643                                               | 132                            | 132                           | 118           | 34           | 116               | 34           | 110             | 34           | 34               | 34       | -               | 34           | -                              |
| 4        | 2.2 GS 10-100 kW                    | -            | -                                | -                                                 | -                              | -                             | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -                              |
| 5        | 2.3 GS 110-1,000 kVa                | -            | 88                               | 504                                               | 88                             | 88                            | 79            | 1            | 78                | 1            | 73              | 1            | 9                | 9        | -               | 1            | -                              |
| 6        | 2.5 GS Diesel                       | -            | 380                              | 1,347                                             | 378                            | 378                           | 340           | 107          | 334               | 107          | 315             | 107          | 214              | 214      | -               | 107          | -                              |
| 7        | 2.5G Gov't General Service Diesel   | -            | 227                              | 804                                               | 225                            | 225                           | 203           | 17           | 199               | 17           | 188             | 17           | 34               | 34       | -               | 17           | -                              |
| 8        | 4.1 Street and Area Lighting        | -            | 48                               | 126                                               | 48                             | 48                            | 43            | 29           | 42                | 29           | 40              | 29           | -                | -        | 29              | 29           | -                              |
| 9        | 4.1G Gov't Street and Area Lighting | -            | 2                                | 3                                                 | 2                              | 2                             | 2             | 4            | 2                 | 4            | 1               | 4            | -                | -        | 4               | 4            | -                              |
| 10       | Total                               | -            | 3,742                            | 11,362                                            | 3,717                          | 3,717                         | 3,344         | 1,113        | 3,288             | 1,113        | 3,102           | 1,113        | 1,212            | 1,212    | 33              | 1,113        | -                              |
| Ratios   |                                     |              |                                  |                                                   |                                |                               |               |              |                   |              |                 |              |                  |          |                 |              |                                |
| 11       | 1.2 Domestic Diesel                 | -            | 0.7654                           | 0.6983                                            | 0.7654                         | 0.7654                        | 0.7654        | 0.8275       | 0.7654            | 0.8275       | 0.7654          | 0.8275       | 0.7602           | 0.7602   | -               | 0.8275       | -                              |
| 12       | 1.2G Government Domestic Diesel     | -            | -                                | -                                                 | -                              | -                             | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -                              |
| 13       | 1.23 Churches, Schools & Com Halls  | -            | 0.0354                           | 0.0566                                            | 0.0354                         | 0.0354                        | 0.0354        | 0.0305       | 0.0354            | 0.0305       | 0.0354          | 0.0305       | 0.0281           | 0.0281   | -               | 0.0305       | -                              |
| 14       | 2.2 GS 10-100 kW                    | -            | -                                | -                                                 | -                              | -                             | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -                              |
| 15       | 2.3 GS 110-1,000 kVa                | -            | 0.0236                           | 0.0443                                            | 0.0236                         | 0.0236                        | 0.0236        | 0.0009       | 0.0236            | 0.0009       | 0.0236          | 0.0009       | 0.0071           | 0.0071   | -               | 0.0009       | -                              |
| 16       | 2.5 GS Diesel                       | -            | 0.1016                           | 0.1186                                            | 0.1016                         | 0.1016                        | 0.1016        | 0.0961       | 0.1016            | 0.0961       | 0.1016          | 0.0961       | 0.1766           | 0.1766   | -               | 0.0961       | -                              |
| 17       | 2.5G Gov't General Service Diesel   | -            | 0.0606                           | 0.0708                                            | 0.0606                         | 0.0606                        | 0.0606        | 0.0153       | 0.0606            | 0.0153       | 0.0606          | 0.0153       | 0.0281           | 0.0281   | -               | 0.0153       | -                              |
| 18       | 4.1 Street and Area Lighting        | -            | 0.0129                           | 0.0111                                            | 0.0129                         | 0.0129                        | 0.0129        | 0.0261       | 0.0129            | 0.0261       | 0.0129          | 0.0261       | -                | -        | 0.8788          | 0.0261       | -                              |
| 19       | 4.1G Gov't Street and Area Lighting | -            | 0.0005                           | 0.0003                                            | 0.0005                         | 0.0005                        | 0.0005        | 0.0036       | 0.0005            | 0.0036       | 0.0005          | 0.0036       | -                | -        | 0.1212          | 0.0036       | -                              |
| 20       | Total                               | -            | 1.0000                           | 1.0000                                            | 1.0000                         | 1.0000                        | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000   | 1.0000          | 1.0000       | -                              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Island Isolated**

**Allocation of Functionalized Amounts to Classes of Service**

|                                                | 1                                   | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16            | 17                                  |
|------------------------------------------------|-------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.                                       | Description                         | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|                                                |                                     |                   |                        |                                         |                          |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|                                                |                                     |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Allocated Revenue Requirement Excluding Return |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 1                                              | 1.2 Domestic Diesel                 | 5,495,260         | 2,365,940              | 2,149,793                               | -                        | 65,529                  | 452,123       | 116,328       | 23,014            | 44,040        | 61,933          | 72,659        | 40,464        | 12,520        | -               | 90,916        | -                                   |
| 2                                              | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 3                                              | 1.23 Churches, Schools & Com Halls  | 325,580           | 109,462                | 174,324                                 | -                        | 3,032                   | 20,918        | 4,294         | 1,065             | 1,626         | 2,865           | 2,682         | 1,494         | 462           | -               | 3,356         | -                                   |
| 4                                              | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5                                              | 2.3 GS 110-1,000 kVa                | 228,956           | 73,072                 | 136,427                                 | -                        | 2,024                   | 13,964        | 126           | 711               | 48            | 1,913           | 79            | 377           | 117           | -               | 99            | -                                   |
| 6                                              | 2.5 GS Diesel                       | 808,921           | 313,985                | 365,019                                 | -                        | 8,696                   | 60,001        | 13,515        | 3,054             | 5,116         | 8,219           | 8,441         | 9,402         | 2,909         | -               | 10,562        | -                                   |
| 7                                              | 2.5G Gov't General Service Diesel   | 460,810           | 187,211                | 217,981                                 | -                        | 5,185                   | 35,775        | 2,147         | 1,821             | 813           | 4,901           | 1,341         | 1,494         | 462           | -               | 1,678         | -                                   |
| 8                                              | 4.1 Street and Area Lighting        | 103,846           | 39,801                 | 34,107                                  | -                        | 1,102                   | 7,606         | 3,663         | 387               | 1,387         | 1,042           | 2,288         | -             | -             | 9,601           | 2,863         | -                                   |
| 9                                              | 4.1G Gov't Street and Area Lighting | 5,479             | 1,474                  | 899                                     | -                        | 41                      | 282           | 505           | 14                | 191           | 39              | 316           | -             | -             | 1,324           | 395           | -                                   |
| 10                                             | Total                               | 7,428,852         | 3,090,945              | 3,078,550                               | -                        | 85,609                  | 590,668       | 140,579       | 30,067            | 53,221        | 80,912          | 87,806        | 53,231        | 16,470        | 10,925          | 109,869       | -                                   |
| Allocated Return on Debt                       |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 11                                             | 1.2 Domestic Diesel                 | 627,684           | 379,945                | 188,381                                 | -                        | -                       | 24,675        | 8,735         | 1,775             | 3,397         | 5,800           | 6,569         | 4,737         | 2,742         | -               | 930           | -                                   |
| 12                                             | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 13                                             | 1.23 Churches, Schools & Com Halls  | 35,347            | 17,578                 | 15,276                                  | -                        | -                       | 1,142         | 322           | 82                | 125           | 268             | 242           | 175           | 101           | -               | 34            | -                                   |
| 14                                             | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 15                                             | 2.3 GS 110-1,000 kVa                | 24,776            | 11,735                 | 11,955                                  | -                        | -                       | 762           | 9             | 55                | 4             | 179             | 7             | 44            | 26            | -               | 1             | -                                   |
| 16                                             | 2.5 GS Diesel                       | 90,706            | 50,423                 | 31,986                                  | -                        | -                       | 3,275         | 1,015         | 236               | 395           | 770             | 763           | 1,101         | 637           | -               | 108           | -                                   |
| 17                                             | 2.5G Gov't General Service Diesel   | 52,355            | 30,064                 | 19,101                                  | -                        | -                       | 1,952         | 161           | 140               | 63            | 459             | 121           | 175           | 101           | -               | 17            | -                                   |
| 18                                             | 4.1 Street and Area Lighting        | 11,312            | 6,392                  | 2,989                                   | -                        | -                       | 415           | 275           | 30                | 107           | 98              | 207           | -             | -             | 771             | 29            | -                                   |
| 19                                             | 4.1G Gov't Street and Area Lighting | 527               | 237                    | 79                                      | -                        | -                       | 15            | 38            | 1                 | 15            | 4               | 29            | -             | -             | 106             | 4             | -                                   |
| 20                                             | Total                               | 842,708           | 496,373                | 269,765                                 | -                        | -                       | 32,236        | 10,556        | 2,319             | 4,105         | 7,577           | 7,938         | 6,231         | 3,607         | 877             | 1,124         | -                                   |
| Allocated Return on Equity                     |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 21                                             | All Classes                         | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| Total Allocated Revenue Requirement            |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 22                                             | 1.2 Domestic Diesel                 | 6,122,944         | 2,745,885              | 2,338,174                               | -                        | 65,529                  | 476,797       | 125,063       | 24,789            | 47,436        | 67,733          | 79,227        | 45,201        | 15,262        | -               | 91,846        | -                                   |
| 23                                             | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 24                                             | 1.23 Churches, Schools & Com Halls  | 360,927           | 127,040                | 189,599                                 | -                        | 3,032                   | 22,059        | 4,617         | 1,147             | 1,751         | 3,134           | 2,925         | 1,669         | 563           | -               | 3,391         | -                                   |
| 25                                             | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 26                                             | 2.3 GS 110-1,000 kVa                | 253,732           | 84,807                 | 148,382                                 | -                        | 2,024                   | 14,726        | 136           | 766               | 52            | 2,092           | 86            | 421           | 142           | -               | 100           | -                                   |
| 27                                             | 2.5 GS Diesel                       | 899,628           | 364,407                | 397,005                                 | -                        | 8,696                   | 63,276        | 14,530        | 3,290             | 5,511         | 8,989           | 9,204         | 10,503        | 3,546         | -               | 10,671        | -                                   |
| 28                                             | 2.5G Gov't General Service Diesel   | 513,165           | 217,276                | 237,082                                 | -                        | 5,185                   | 37,728        | 2,308         | 1,962             | 876           | 5,360           | 1,462         | 1,669         | 563           | -               | 1,695         | -                                   |
| 29                                             | 4.1 Street and Area Lighting        | 115,157           | 46,192                 | 37,096                                  | -                        | 1,102                   | 8,021         | 3,938         | 417               | 1,494         | 1,139           | 2,495         | -             | -             | 10,371          | 2,892         | -                                   |
| 30                                             | 4.1G Gov't Street and Area Lighting | 6,006             | 1,711                  | 977                                     | -                        | 41                      | 297           | 543           | 15                | 206           | 42              | 344           | -             | -             | 1,431           | 399           | -                                   |
| 31                                             | Total                               | 8,271,560         | 3,587,318              | 3,348,315                               | -                        | 85,609                  | 622,904       | 151,135       | 32,386            | 57,326        | 88,489          | 95,744        | 59,462        | 20,077        | 11,802          | 110,993       | -                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Revenue Requirement**

[illegible]

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                                   | 2<br>Basis of Functional Classification                           |
|-------------|----------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                    |                                                                   |
| 1           | Operating & Maintenance                            | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                              | Production - Energy                                               |
| 3           | Fuels-Diesel                                       | Production - Energy                                               |
| 4           | Fuels-Gas Turbine                                  | Production - Energy                                               |
| 5           | Power Purchases -CF(L)Co                           |                                                                   |
| 6           | Power Purchases-Other                              | Carryforward from Sch.4.4 L.11                                    |
| 7           | Depreciation                                       | Carryforward from Sch.2.5 L.24                                    |
|             | <b>Expense Credits</b>                             |                                                                   |
| 8           | Sundry                                             | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                             | Prorated on General Plant - Sch.2.2 L.18                          |
| 10          | Tax Refunds                                        | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                               | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                                   | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                          | Production - Energy                                               |
| 14          | Wheeling Revenues                                  | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Application Fees                                   | Accounting - Customer                                             |
| 16          | <b>Total Expense Credits</b>                       |                                                                   |
| 17          | <b>Subtotal Expenses</b>                           |                                                                   |
| 18          | Disposal Gain / Loss                               | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 19          | <b>Subtotal Revenue Requirement Ex.<br/>Return</b> |                                                                   |
| 20          | Return on Debt                                     | Prorated on Rate Base - Sch.2.6 L.8                               |
| 21          | Return on Equity                                   | Prorated on Rate Base - Sch.2.6 L.10                              |
| 22          | <b>Total Revenue Requirement</b>                   |                                                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

|  | 1 | 2 | 3 | 4              | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|---|---|---|---|---|----|----|----|----|----|----|----|----|
|  |   |   |   | Production and |   |   |   |   |   |    |    |    |    |    |    |    |    |
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Plant in Service for the Allocation of O&M Expense**

| Line No.            | Description                           | Basis of Functional Classification                                                               |
|---------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                       |                                                                                                  |
| 1                   | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.7                                                   |
| 2                   | <b>Subtotal Production</b>            |                                                                                                  |
| <b>Transmission</b> |                                       |                                                                                                  |
| 3                   | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4                   | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5                   | <b>Subtotal Transmission</b>          |                                                                                                  |
| <b>Distribution</b> |                                       |                                                                                                  |
| 6                   | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7                   | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8                   | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9                   | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10                  | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11                  | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12                  | Secondary Conductors & Equipment      | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13                  | Services                              | Services Customer                                                                                |
| 14                  | Meters                                | Meters - Customer                                                                                |
| 15                  | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16                  | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18                  | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19                  | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20                  | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21                  | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22                  | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23                  | Software - Cust Acctng                | Customer Accounting                                                                              |
| 24                  | <b>Total Plant</b>                    |                                                                                                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Net Book Value**

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 18,386,032        | 10,292,197             | 8,093,836                               | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>18,386,032</b> | <b>10,292,197</b>      | <b>8,093,836</b>                        | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 1,310,521         | 801,666                | -                                       | -                        | 508,855                 | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | 3,027             | -                      | -                                       | -                        | -                       | 2,282                     | 291            | -                             | -              | 265                         | 189            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 2,076,910         | -                      | -                                       | -                        | -                       | 1,201,177                 | 410,505        | -                             | -              | 212,609                     | 252,619        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 370,861           | -                      | -                                       | -                        | -                       | 328,954                   | 41,907         | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 298,996           | -                      | -                                       | -                        | -                       | -                         | -              | 107,937                       | 191,058        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 75,922            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 44,262                      | 31,659         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 207,673           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 207,673                | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 120,518           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 120,518              | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 54,328            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 54,328                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>4,518,756</b>  | <b>801,666</b>         | <b>-</b>                                | <b>-</b>                 | <b>508,855</b>          | <b>1,532,413</b>          | <b>452,703</b> | <b>107,937</b>                | <b>191,058</b> | <b>257,136</b>              | <b>284,467</b> | <b>207,673</b>         | <b>120,518</b>       | <b>54,328</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>22,904,788</b> | <b>11,093,863</b>      | <b>8,093,836</b>                        | <b>-</b>                 | <b>508,855</b>          | <b>1,532,413</b>          | <b>452,703</b> | <b>107,937</b>                | <b>191,058</b> | <b>257,136</b>              | <b>284,467</b> | <b>207,673</b>         | <b>120,518</b>       | <b>54,328</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 276,437           | 133,892                | 97,684                                  | -                        | 6,141                   | 18,495                    | 5,464          | 1,303                         | 2,306          | 3,103                       | 3,433          | 2,506                  | 1,455                | 656                           | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 9,998             | 5,597                  | 4,401                                   | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 87,844            | 42,547                 | 31,041                                  | -                        | 1,952                   | 5,877                     | 1,736          | 414                           | 733            | 986                         | 1,091          | 796                    | 462                  | 208                           | -                        | -                                   |
| 23                  | Software - Cust Acctg                 | 35,192            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | 35,192                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>23,314,259</b> | <b>11,275,898</b>      | <b>8,226,962</b>                        | <b>-</b>                 | <b>516,948</b>          | <b>1,556,785</b>          | <b>459,903</b> | <b>109,654</b>                | <b>194,097</b> | <b>261,226</b>              | <b>288,992</b> | <b>210,976</b>         | <b>122,434</b>       | <b>55,192</b>                 | <b>35,192</b>            | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Operating & Maintenance Expense**

| Line No.                | 1                                                 | 2                 | 3                      | 4                        | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                     |
|-------------------------|---------------------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|------------------------|
|                         |                                                   |                   |                        | Production and           |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          | Specifically           |
|                         | Description                                       | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Assigned Customer (\$) |
| <b>Production</b>       |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| 1                       | Diesel                                            | 4,292,619         | 2,402,937              | 1,889,682                | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 2                       | <b>Subtotal Production</b>                        | <b>4,292,619</b>  | <b>2,402,937</b>       | <b>1,889,682</b>         | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| <b>Transmission</b>     |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| 3                       | Transmission Lines                                | -                 | -                      | -                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 4                       | Terminal Stations                                 | -                 | -                      | -                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 5                       | <b>Subtotal Transmission</b>                      | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>      | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>               |
| <b>Distribution</b>     |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| 6                       | Other                                             | 572,971           | -                      | -                        | -                        | 48,229                  | 303,510                   | 69,878         | 14,833                        | 26,256        | 38,461                      | 42,189        | 24,304                 | -                    | 5,312                         | -                        | -                      |
| 7                       | Meters                                            | 18,096            | -                      | -                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | 18,096               | -                             | -                        | -                      |
| 8                       | <b>Subtotal Distribution</b>                      | <b>591,068</b>    | <b>-</b>               | <b>-</b>                 | <b>-</b>                 | <b>48,229</b>           | <b>303,510</b>            | <b>69,878</b>  | <b>14,833</b>                 | <b>26,256</b> | <b>38,461</b>               | <b>42,189</b> | <b>24,304</b>          | <b>18,096</b>        | <b>5,312</b>                  | <b>-</b>                 | <b>-</b>               |
| 9                       | <b>Subtl Prod, Trans, &amp; Dist</b>              | <b>4,883,687</b>  | <b>2,402,937</b>       | <b>1,889,682</b>         | <b>-</b>                 | <b>48,229</b>           | <b>303,510</b>            | <b>69,878</b>  | <b>14,833</b>                 | <b>26,256</b> | <b>38,461</b>               | <b>42,189</b> | <b>24,304</b>          | <b>18,096</b>        | <b>5,312</b>                  | <b>-</b>                 | <b>-</b>               |
| 10                      | Customer Accounting                               | 150,744           | -                      | -                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | 150,744                  | -                      |
| <b>Overheads</b>        |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| <b>Plant-Related:</b>   |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| 11                      | Production                                        | 683,440           | 382,579                | 300,862                  | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 12                      | Transmission                                      | -                 | -                      | -                        | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 13                      | Distribution                                      | 187,939           | 31,459                 | -                        | -                        | 13,005                  | 69,974                    | 20,643         | 4,601                         | 8,143         | 12,337                      | 13,404        | 7,715                  | 4,483                | 2,175                         | -                        | -                      |
| 14                      | Prod, Trans, Distn Plant                          | 247,234           | 118,120                | 86,087                   | -                        | 3,576                   | 19,241                    | 5,676          | 1,265                         | 2,239         | 3,392                       | 3,686         | 2,121                  | 1,233                | 598                           | -                        | -                      |
| 15                      | Telecontrol Plant                                 | 973               | 545                    | 428                      | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                      |
| 16                      | Prod, Trans, Distn and General Plt                | 426,882           | 203,797                | 148,535                  | -                        | 6,167                   | 33,183                    | 9,789          | 2,182                         | 3,862         | 5,850                       | 6,356         | 3,658                  | 2,126                | 1,031                         | 344                      | -                      |
| <b>Expense Related:</b> |                                                   |                   |                        |                          |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                        |
| 17                      | Property Insurance                                | 24,660            | 13,966                 | 10,179                   | -                        | 423                     | 45                        | 13             | 3                             | 5             | 8                           | 9             | 5                      | 3                    | 1                             | -                        | -                      |
| 18                      | Municipal Tax                                     | 89,081            | -                      | -                        | -                        | 7,269                   | 45,743                    | 10,531         | 2,236                         | 3,957         | 5,797                       | 6,358         | 3,663                  | 2,727                | 801                           | -                        | -                      |
| 19                      | Other Expense Related                             | 2,572,584         | 1,227,896              | 965,624                  | -                        | 24,645                  | 155,093                   | 35,707         | 7,580                         | 13,417        | 19,654                      | 21,558        | 12,419                 | 9,247                | 2,714                         | 77,030                   | -                      |
| 20                      | <b>Subtotal Overheads</b>                         | <b>4,232,793</b>  | <b>1,978,362</b>       | <b>1,511,716</b>         | <b>-</b>                 | <b>55,084</b>           | <b>323,279</b>            | <b>82,360</b>  | <b>17,865</b>                 | <b>31,623</b> | <b>47,037</b>               | <b>51,371</b> | <b>29,581</b>          | <b>19,819</b>        | <b>7,320</b>                  | <b>77,373</b>            | <b>-</b>               |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b> | <b>9,267,223</b>  | <b>4,381,300</b>       | <b>3,401,398</b>         | <b>-</b>                 | <b>103,313</b>          | <b>626,789</b>            | <b>152,238</b> | <b>32,698</b>                 | <b>57,879</b> | <b>85,499</b>               | <b>93,560</b> | <b>53,885</b>          | <b>37,916</b>        | <b>12,632</b>                 | <b>228,117</b>           | <b>-</b>               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

1

| Line No. | Description                                       | Basis of Functional Classification                                                                    |
|----------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                       |
| 1        | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L7                                                         |
| 2        | <b>Subtotal Production</b>                        |                                                                                                       |
|          | <b>Transmission</b>                               |                                                                                                       |
| 3        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                       |
|          | <b>Distribution</b>                               |                                                                                                       |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                            | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                  |                                                                                                       |
|          | Plant-Related:                                    |                                                                                                       |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14       | Prod, Trans, Distn Plant                          | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16       | Prod, Trans, Distn and General Plt                | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
|          | Expense Related:                                  |                                                                                                       |
| 17       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
| 18       | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Depreciation Expense**

| Line No.            | 1                                    | 2                 | 3                      | 4                        | 5                        | 6                       | 7                         | 8             | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|--------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                          | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                   | Diesel                               | 1,482,875         | 830,089                | 652,786                  | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>           | <b>1,482,875</b>  | <b>830,089</b>         | <b>652,786</b>           | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 3                   | Lines                                | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                    | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>         | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Distribution</b> |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 6                   | Substn Struct & Eqpt                 | 73,923            | 53,502                 | -                        | -                        | 20,421                  | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements             | 228               | -                      | -                        | -                        | -                       | 172                       | 22            | -                             | -             | 20                          | 14            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                | 108,574           | -                      | -                        | -                        | -                       | 62,794                    | 21,460        | -                             | -             | 11,115                      | 13,206        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment        | 21,110            | -                      | -                        | -                        | -                       | 18,724                    | 2,385         | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                  | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                         | 15,062            | -                      | -                        | -                        | -                       | -                         | -             | 5,437                         | 9,624         | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment     | 4,715             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | 2,749                       | 1,966         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                             | 10,372            | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | 10,372                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                               | 6,054             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 6,054                | -                             | -                        | -                                   |
| 15                  | Street Lighting                      | 3,060             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | 3,060                         | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>         | <b>243,097</b>    | <b>53,502</b>          | -                        | -                        | <b>20,421</b>           | <b>81,690</b>             | <b>23,867</b> | <b>5,437</b>                  | <b>9,624</b>  | <b>13,883</b>               | <b>15,186</b> | <b>10,372</b>          | <b>6,054</b>         | <b>3,060</b>                  | -                        | -                                   |
| 17                  | <b>Subtotal Prod Tran &amp; Dist</b> | <b>1,725,972</b>  | <b>883,591</b>         | <b>652,786</b>           | -                        | <b>20,421</b>           | <b>81,690</b>             | <b>23,867</b> | <b>5,437</b>                  | <b>9,624</b>  | <b>13,883</b>               | <b>15,186</b> | <b>10,372</b>          | <b>6,054</b>         | <b>3,060</b>                  | -                        | -                                   |
| 18                  | General                              | 47,686            | 24,412                 | 18,035                   | -                        | 564                     | 2,257                     | 659           | 150                           | 266           | 384                         | 420           | 287                    | 167                  | 85                            | -                        | -                                   |
| 19                  | Telecontrol - Common                 | 1,510             | 845                    | 665                      | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific               | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                  | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                   | 173,897           | 89,025                 | 65,770                   | -                        | 2,058                   | 8,230                     | 2,405         | 548                           | 970           | 1,399                       | 1,530         | 1,045                  | 610                  | 308                           | -                        | -                                   |
| 23                  | Software - Cust Acctng               | 23,461            | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 23,461                   | -                                   |
| 24                  | <b>Total Depreciation Expense</b>    | <b>1,972,526</b>  | <b>997,872</b>         | <b>737,256</b>           | -                        | <b>23,043</b>           | <b>92,177</b>             | <b>26,931</b> | <b>6,135</b>                  | <b>10,860</b> | <b>15,665</b>               | <b>17,136</b> | <b>11,704</b>          | <b>6,831</b>         | <b>3,453</b>                  | <b>23,461</b>            | -                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Isolated**  
**Functional Classification of Rate Base**

| Line No. | Description                                                     | 2<br>Total Amount<br>(\$) | 3<br>Production Demand<br>(\$) | 4<br>Transmission Energy<br>(\$) | 5<br>Transmission Demand<br>(\$) | Distribution                    |                    |               |                        |               |                       |               |                                 |                               |                                        |                                   | 17<br>Specifically Assigned Customer<br>(\$) |
|----------|-----------------------------------------------------------------|---------------------------|--------------------------------|----------------------------------|----------------------------------|---------------------------------|--------------------|---------------|------------------------|---------------|-----------------------|---------------|---------------------------------|-------------------------------|----------------------------------------|-----------------------------------|----------------------------------------------|
|          |                                                                 |                           |                                |                                  |                                  | 6<br>Substations Demand<br>(\$) | 7<br>Primary Lines |               | 9<br>Line Transformers |               | 11<br>Secondary Lines |               | 13<br>Services Customer<br>(\$) | 14<br>Meters Customer<br>(\$) | 15<br>Street Lighting Customer<br>(\$) | 16<br>Accounting Customer<br>(\$) |                                              |
|          |                                                                 |                           |                                |                                  |                                  |                                 | Demand (\$)        | Customer (\$) | Demand (\$)            | Customer (\$) | Demand (\$)           | Customer (\$) |                                 |                               |                                        |                                   |                                              |
| 1        | Average Net Book Value                                          | 23,314,259                | 11,275,898                     | 8,226,962                        | -                                | 516,948                         | 1,556,785          | 459,903       | 109,654                | 194,097       | 261,226               | 288,992       | 210,976                         | 122,434                       | 55,192                                 | 35,192                            | -                                            |
| 2        | Cash Working Capital                                            | 55,499                    | 26,842                         | 19,584                           | -                                | 1,231                           | 3,706              | 1,095         | 261                    | 462           | 622                   | 688           | 502                             | 291                           | 131                                    | 84                                | -                                            |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                         | -                              | -                                | -                                | -                               | -                  | -             | -                      | -             | -                     | -             | -                               | -                             | -                                      | -                                 | -                                            |
| 4        | Fuel Inventory - Diesel                                         | 1,714,196                 | -                              | 1,714,196                        | -                                | -                               | -                  | -             | -                      | -             | -                     | -             | -                               | -                             | -                                      | -                                 | -                                            |
| 5        | Fuel Inventory - Gas Turbine                                    | -                         | -                              | -                                | -                                | -                               | -                  | -             | -                      | -             | -                     | -             | -                               | -                             | -                                      | -                                 | -                                            |
| 6        | Inventory/Supplies                                              | 532,174                   | 254,064                        | 185,172                          | -                                | 7,688                           | 41,368             | 12,204        | 2,720                  | 4,814         | 7,293                 | 7,924         | 4,561                           | 2,650                         | 1,286                                  | 428                               | -                                            |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 1,616,733                 | 781,930                        | 570,501                          | -                                | 35,848                          | 107,956            | 31,892        | 7,604                  | 13,460        | 18,115                | 20,040        | 14,630                          | 8,490                         | 3,827                                  | 2,440                             | -                                            |
| 8        | Total Rate Base                                                 | 27,232,861                | 12,338,735                     | 10,716,415                       | -                                | 561,715                         | 1,709,814          | 505,094       | 120,239                | 212,833       | 287,256               | 317,644       | 230,669                         | 133,867                       | 60,437                                 | 38,144                            | -                                            |
| 9        | Less: Rural Portion                                             | (27,232,861)              | (12,338,735)                   | (10,716,415)                     | -                                | (561,715)                       | (1,709,814)        | (505,094)     | (120,239)              | (212,833)     | (287,256)             | (317,644)     | (230,669)                       | (133,867)                     | (60,437)                               | (38,144)                          | -                                            |
| 10       | Rate Base Available for Equity Return                           | -                         | -                              | -                                | -                                | -                               | -                  | -             | -                      | -             | -                     | -             | -                               | -                             | -                                      | -                                 | -                                            |
| 11       | Return on Debt                                                  | 1,809,757                 | 819,969                        | 712,158                          | -                                | 37,329                          | 113,626            | 33,566        | 7,990                  | 14,144        | 19,090                | 21,109        | 15,329                          | 8,896                         | 4,016                                  | 2,535                             | -                                            |
| 12       | Return on Equity                                                | -                         | -                              | -                                | -                                | -                               | -                  | -             | -                      | -             | -                     | -             | -                               | -                             | -                                      | -                                 | -                                            |
| 13       | Return on Rate Base                                             | 1,809,757                 | 819,969                        | 712,158                          | -                                | 37,329                          | 113,626            | 33,566        | 7,990                  | 14,144        | 19,090                | 21,109        | 15,329                          | 8,896                         | 4,016                                  | 2,535                             | -                                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Isolated  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Energy                                 |
| 4           | Fuel Inventory - Diesel                                            |                                                     |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and Regulatory<br>Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.2,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.2,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

Labrador Isolated

Basis of Allocation to Classes of Service

|          | 1                                   | 2            | 3                 | 4                   | 5                   | 6                  | 7             | 8            | 9                 | 10           | 11              | 12           | 13               | 14           | 15              | 16         | 17                             |
|----------|-------------------------------------|--------------|-------------------|---------------------|---------------------|--------------------|---------------|--------------|-------------------|--------------|-----------------|--------------|------------------|--------------|-----------------|------------|--------------------------------|
| Line No. | Description                         | Total Amount | Production Demand | Production and      |                     | Substations Demand | Distribution  |              |                   |              |                 |              |                  |              |                 |            | Specifically Assigned Customer |
|          |                                     |              |                   | Transmission Energy | Transmission Demand |                    | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services         | Meters       | Street Lighting | Accounting |                                |
|          |                                     |              |                   |                     |                     |                    | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     | Customer         | Customer     | Customer        | Customer   |                                |
|          |                                     |              | (CP kW)           | (MWh @ Gen)         | (CP kW)             | (CP kW)            | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (W/d Rural Cust) | (Rural Cust) | (Rural Cust)    |            |                                |
| Amounts  |                                     |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                  |              |                 |            |                                |
| 1        | 1.2 Domestic Diesel                 | -            | 5,657             | 20,022              | 5,619               | 5,617              | 4,933         | 1,934        | 4,853             | 1,934        | 4,511           | 1,934        | 1,934            | 1,934        | -               | 1,934      | -                              |
| 2        | 1.2G Government Domestic Diesel     | -            | 153               | 542                 | 152                 | 152                | 133           | 23           | 131               | 23           | 122             | 23           | 23               | 23           | -               | 23         | -                              |
| 3        | 1.23 Churches, Schools & Com Halls  | -            | 311               | 1,903               | 309                 | 309                | 271           | 48           | 267               | 48           | 248             | 48           | 48               | 48           | -               | 48         | -                              |
| 4        | 2.2 GS 10-100 kW                    | -            | 506               | 524                 | 503                 | 503                | 442           | 6            | 434               | 6            | 404             | 6            | 48               | 48           | -               | 6          | -                              |
| 5        | 2.3 GS 110-1,000 kVa                | -            | 727               | 3,877               | 722                 | 722                | 634           | 8            | 623               | 8            | 579             | 8            | 69               | 69           | -               | 8          | -                              |
| 6        | 2.5 GS Diesel                       | -            | 1,886             | 8,583               | 1,873               | 1,872              | 1,644         | 367          | 1,618             | 367          | 1,504           | 367          | 734              | 734          | -               | 367        | -                              |
| 7        | 2.5G Gov't General Service Diesel   | -            | 312               | 1,420               | 310                 | 310                | 272           | 56           | 268               | 56           | 249             | 56           | 112              | 112          | -               | 56         | -                              |
| 8        | 4.1 Street and Area Lighting        | -            | 74                | 249                 | 74                  | 74                 | 65            | 65           | 64                | 65           | 59              | 65           | -                | -            | 65              | 65         | -                              |
| 9        | 4.1G Gov't Street and Area Lighting | -            | 1                 | 6                   | 1                   | 1                  | 1             | 3            | 1                 | 3            | 1               | 3            | -                | -            | 3               | 3          | -                              |
| 10       | Total                               | -            | 9,627             | 37,125              | 9,563               | 9,560              | 8,396         | 2,510        | 8,260             | 2,510        | 7,678           | 2,510        | 2,968            | 2,968        | 68              | 2,510      | -                              |
| Ratios   |                                     |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                  |              |                 |            |                                |
| 11       | 1.2 Domestic Diesel                 | -            | 0.5876            | 0.5393              | 0.5876              | 0.5876             | 0.5876        | 0.7705       | 0.5876            | 0.7705       | 0.5876          | 0.7705       | 0.6516           | 0.6516       | -               | 0.7705     | -                              |
| 12       | 1.2G Government Domestic Diesel     | -            | 0.0159            | 0.0146              | 0.0159              | 0.0159             | 0.0159        | 0.0092       | 0.0159            | 0.0092       | 0.0159          | 0.0092       | 0.0077           | 0.0077       | -               | 0.0092     | -                              |
| 13       | 1.23 Churches, Schools & Com Halls  | -            | 0.0323            | 0.0513              | 0.0323              | 0.0323             | 0.0323        | 0.0191       | 0.0323            | 0.0191       | 0.0323          | 0.0191       | 0.0162           | 0.0162       | -               | 0.0191     | -                              |
| 14       | 2.2 GS 10-100 kW                    | -            | 0.0526            | 0.0141              | 0.0526              | 0.0526             | 0.0526        | 0.0024       | 0.0526            | 0.0024       | 0.0526          | 0.0024       | 0.0163           | 0.0163       | -               | 0.0024     | -                              |
| 15       | 2.3 GS 110-1,000 kVa                | -            | 0.0755            | 0.1044              | 0.0755              | 0.0755             | 0.0755        | 0.0032       | 0.0755            | 0.0032       | 0.0755          | 0.0032       | 0.0231           | 0.0231       | -               | 0.0032     | -                              |
| 16       | 2.5 GS Diesel                       | -            | 0.1959            | 0.2312              | 0.1959              | 0.1959             | 0.1959        | 0.1462       | 0.1959            | 0.1462       | 0.1959          | 0.1462       | 0.2473           | 0.2473       | -               | 0.1462     | -                              |
| 17       | 2.5G Gov't General Service Diesel   | -            | 0.0324            | 0.0382              | 0.0324              | 0.0324             | 0.0324        | 0.0223       | 0.0324            | 0.0223       | 0.0324          | 0.0223       | 0.0377           | 0.0377       | -               | 0.0223     | -                              |
| 18       | 4.1 Street and Area Lighting        | -            | 0.0077            | 0.0067              | 0.0077              | 0.0077             | 0.0077        | 0.0259       | 0.0077            | 0.0259       | 0.0077          | 0.0259       | -                | -            | 0.9559          | 0.0259     | -                              |
| 19       | 4.1G Gov't Street and Area Lighting | -            | 0.0001            | 0.0002              | 0.0001              | 0.0001             | 0.0001        | 0.0012       | 0.0001            | 0.0012       | 0.0001          | 0.0012       | -                | -            | 0.0441          | 0.0012     | -                              |
| 20       | Total                               | -            | 1.0000            | 1.0000              | 1.0000              | 1.0000             | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000       | 1.0000          | 1.0000     | -                              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

**Labrador Isolated**

**Allocation of Functionalized Amounts to Classes of Service**

|                                                | 1                                   | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8       | 9                             | 10     | 11                          | 12      | 13                     | 14                   | 15                            | 16                       | 17                                  |
|------------------------------------------------|-------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|---------|-------------------------------|--------|-----------------------------|---------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No.                                       | Description                         | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |                           |         |                               |        |                             |         |                        |                      |                               |                          | Specifically Assigned Customer (\$) |
|                                                |                                     |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines Demand (\$) |         | Line Transformers Demand (\$) |        | Secondary Lines Demand (\$) |         | Services Customer (\$) | Meters Customer (\$) | Street Lightinc Customer (\$) | Accounting Customer (\$) |                                     |
| Allocated Revenue Requirement Excluding Return |                                     |                   |                        |                                         |                          |                         |                           |         |                               |        |                             |         |                        |                      |                               |                          |                                     |
| 1                                              | 1.2 Domestic Diesel                 | 9,128,840         | 3,148,489              | 4,882,711                               | -                        | 74,010                  | 412,549                   | 133,865 | 22,732                        | 52,765 | 57,771                      | 82,718  | 42,589                 | 29,046               | -                             | 189,595                  | -                                   |
| 2                                              | 1.2G Government Domestic Diesel     | 238,997           | 85,151                 | 132,200                                 | -                        | 2,002                   | 11,157                    | 1,592   | 615                           | 628    | 1,562                       | 984     | 506                    | 345                  | -                             | 2,255                    | -                                   |
| 3                                              | 1.23 Churches, Schools & Com Halls  | 681,469           | 173,036                | 464,100                                 | -                        | 4,067                   | 22,673                    | 3,322   | 1,249                         | 1,310  | 3,175                       | 2,053   | 1,057                  | 721                  | -                             | 4,706                    | -                                   |
| 4                                              | 2.2 GS 10-100 kW                    | 463,518           | 281,824                | 127,718                                 | -                        | 6,625                   | 36,928                    | 415     | 2,035                         | 164    | 5,171                       | 257     | 1,066                  | 727                  | -                             | 588                      | -                                   |
| 5                                              | 2.3 GS 110-1,000 kVa                | 1,427,250         | 404,410                | 945,565                                 | -                        | 9,506                   | 52,990                    | 554     | 2,920                         | 218    | 7,420                       | 342     | 1,510                  | 1,030                | -                             | 784                      | -                                   |
| 6                                              | 2.5 GS Diesel                       | 3,445,865         | 1,049,496              | 2,093,071                               | -                        | 24,670                  | 137,516                   | 25,402  | 7,577                         | 10,013 | 19,257                      | 15,697  | 16,163                 | 11,024               | -                             | 35,978                   | -                                   |
| 7                                              | 2.5G Gov't General Service Diesel   | 568,792           | 173,858                | 346,184                                 | -                        | 4,087                   | 22,781                    | 3,876   | 1,255                         | 1,528  | 3,190                       | 2,395   | 2,466                  | 1,682                | -                             | 5,490                    | -                                   |
| 8                                              | 4.1 Street and Area Lighting        | 140,129           | 41,281                 | 60,663                                  | -                        | 970                     | 5,409                     | 4,499   | 298                           | 1,773  | 757                         | 2,780   | -                      | -                    | 15,326                        | 6,372                    | -                                   |
| 9                                              | 4.1G Gov't Street and Area Lighting | 3,808             | 794                    | 1,452                                   | -                        | 19                      | 104                       | 208     | 6                             | 82     | 15                          | 128     | -                      | -                    | 707                           | 294                      | -                                   |
| 10                                             | Total                               | 16,098,668        | 5,358,340              | 9,053,664                               | -                        | 125,955                 | 702,107                   | 173,734 | 38,687                        | 68,480 | 98,320                      | 107,354 | 65,358                 | 44,576               | 16,033                        | 246,062                  | -                                   |
| Allocated Return on Debt                       |                                     |                   |                        |                                         |                          |                         |                           |         |                               |        |                             |         |                        |                      |                               |                          |                                     |
| 11                                             | 1.2 Domestic Diesel                 | 1,041,251         | 481,803                | 384,073                                 | -                        | 21,934                  | 66,765                    | 25,863  | 4,695                         | 10,898 | 11,217                      | 16,265  | 9,989                  | 5,797                | -                             | 1,953                    | -                                   |
| 12                                             | 1.2G Government Domestic Diesel     | 27,100            | 13,030                 | 10,399                                  | -                        | 593                     | 1,806                     | 308     | 127                           | 130    | 303                         | 193     | 119                    | 69                   | -                             | 23                       | -                                   |
| 13                                             | 1.23 Churches, Schools & Com Halls  | 70,491            | 26,479                 | 36,506                                  | -                        | 1,205                   | 3,669                     | 642     | 258                           | 270    | 616                         | 404     | 248                    | 144                  | -                             | 48                       | -                                   |
| 14                                             | 2.2 GS 10-100 kW                    | 63,103            | 43,127                 | 10,046                                  | -                        | 1,963                   | 5,976                     | 80      | 420                           | 34     | 1,004                       | 50      | 250                    | 145                  | -                             | 6                        | -                                   |
| 15                                             | 2.3 GS 110-1,000 kVa                | 150,487           | 61,886                 | 74,378                                  | -                        | 2,817                   | 8,576                     | 107     | 603                           | 45     | 1,441                       | 67      | 354                    | 206                  | -                             | 8                        | -                                   |
| 16                                             | 2.5 GS Diesel                       | 376,536           | 160,601                | 164,640                                 | -                        | 7,311                   | 22,255                    | 4,908   | 1,565                         | 2,068  | 3,739                       | 3,086   | 3,791                  | 2,200                | -                             | 371                      | -                                   |
| 17                                             | 2.5G Gov't General Service Diesel   | 62,118            | 26,605                 | 27,231                                  | -                        | 1,211                   | 3,687                     | 749     | 259                           | 316    | 619                         | 471     | 578                    | 336                  | -                             | 57                       | -                                   |
| 18                                             | 4.1 Street and Area Lighting        | 18,147            | 6,317                  | 4,772                                   | -                        | 288                     | 875                       | 869     | 62                            | 366    | 147                         | 547     | -                      | -                    | 3,839                         | 66                       | -                                   |
| 19                                             | 4.1G Gov't Street and Area Lighting | 525               | 121                    | 114                                     | -                        | 6                       | 17                        | 40      | 1                             | 17     | 3                           | 25      | -                      | -                    | 177                           | 3                        | -                                   |
| 20                                             | Total                               | 1,809,757         | 819,969                | 712,158                                 | -                        | 37,329                  | 113,626                   | 33,566  | 7,990                         | 14,144 | 19,090                      | 21,109  | 15,329                 | 8,896                | 4,016                         | 2,535                    | -                                   |
| Allocated Return on Equity                     |                                     |                   |                        |                                         |                          |                         |                           |         |                               |        |                             |         |                        |                      |                               |                          |                                     |
| 21                                             | All Classes                         | -                 | -                      | -                                       | -                        | -                       | -                         | -       | -                             | -      | -                           | -       | -                      | -                    | -                             | -                        | -                                   |
| Total Allocated Revenue Requirement            |                                     |                   |                        |                                         |                          |                         |                           |         |                               |        |                             |         |                        |                      |                               |                          |                                     |
| 22                                             | 1.2 Domestic Diesel                 | 10,170,091        | 3,630,292              | 5,266,784                               | -                        | 95,943                  | 479,313                   | 159,728 | 27,427                        | 63,663 | 68,988                      | 98,983  | 52,577                 | 34,843               | -                             | 191,548                  | -                                   |
| 23                                             | 1.2G Government Domestic Diesel     | 266,097           | 98,182                 | 142,599                                 | -                        | 2,595                   | 12,963                    | 1,900   | 742                           | 757    | 1,866                       | 1,177   | 625                    | 414                  | -                             | 2,278                    | -                                   |
| 24                                             | 1.23 Churches, Schools & Com Halls  | 751,959           | 199,515                | 500,606                                 | -                        | 5,273                   | 26,342                    | 3,964   | 1,507                         | 1,580  | 3,791                       | 2,457   | 1,305                  | 865                  | -                             | 4,754                    | -                                   |
| 25                                             | 2.2 GS 10-100 kW                    | 526,621           | 324,951                | 137,765                                 | -                        | 8,588                   | 42,904                    | 496     | 2,455                         | 198    | 6,175                       | 307     | 1,317                  | 872                  | -                             | 594                      | -                                   |
| 26                                             | 2.3 GS 110-1,000 kVa                | 1,577,738         | 466,296                | 1,019,943                               | -                        | 12,324                  | 61,566                    | 661     | 3,523                         | 263    | 8,861                       | 409     | 1,864                  | 1,235                | -                             | 792                      | -                                   |
| 27                                             | 2.5 GS Diesel                       | 3,822,400         | 1,210,097              | 2,257,711                               | -                        | 31,981                  | 159,771                   | 30,310  | 9,142                         | 12,081 | 22,996                      | 18,783  | 19,954                 | 13,224               | -                             | 36,349                   | -                                   |
| 28                                             | 2.5G Gov't General Service Diesel   | 630,910           | 200,462                | 373,415                                 | -                        | 5,298                   | 26,467                    | 4,625   | 1,515                         | 1,843  | 3,809                       | 2,866   | 3,045                  | 2,018                | -                             | 5,546                    | -                                   |
| 29                                             | 4.1 Street and Area Lighting        | 158,277           | 47,598                 | 65,435                                  | -                        | 1,258                   | 6,284                     | 5,368   | 360                           | 2,140  | 905                         | 3,327   | -                      | -                    | 19,165                        | 6,438                    | -                                   |
| 30                                             | 4.1G Gov't Street and Area Lighting | 4,333             | 915                    | 1,566                                   | -                        | 24                      | 121                       | 248     | 7                             | 99     | 17                          | 154     | -                      | -                    | 885                           | 297                      | -                                   |
| 31                                             | Total                               | 17,908,426        | 6,178,309              | 9,765,823                               | -                        | 163,284                 | 815,732                   | 207,300 | 46,678                        | 82,623 | 117,409                     | 128,463 | 80,688                 | 53,472               | 20,049                        | 248,597                  | -                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup

Functional Classification of Revenue Requirement

|  | 1 | 2 | 3 | 4              | 5            | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|--------------|---|---|---|---|----|----|----|----|----|----|----|----|
|  |   |   |   | Production and |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | Transmission   | Transmission |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | Energy         | Demand       |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   | (\$)           | (\$)         |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
|  |   |   |   |                |              |   |   |   |   |    |    |    |    |    |    |    |    |
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NEWFOUNDLAND & LABRADOR HYDRO  
 2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
 L'Anse au Loup  
 Functional Classification of Revenue Requirement - Documentation

| Line<br>No. | 1<br>Description                                   | 2<br>Basis of Functional Classification                           |
|-------------|----------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                    |                                                                   |
| 1           | Operating & Maintenance                            | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                              | Production - Energy                                               |
| 3           | Fuels-Diesel                                       | Production - Energy                                               |
| 4           | Fuels-Gas Turbine                                  | Production - Energy                                               |
| 5           | Power Purchases -CF(L)Co                           |                                                                   |
| 6           | Power Purchases-Other                              | Carryforward from Sch.4.4 L.12                                    |
| 7           | Depreciation                                       | Carryforward from Sch.2.5 L.24                                    |
|             | <b>Expense Credits</b>                             |                                                                   |
| 8           | Sundry                                             | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                             | Prorated on General Plant - Sch.2.2 L.18                          |
| 10          | Tax Refunds                                        | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                               | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                                   | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                          | Production - Energy                                               |
| 14          | Wheeling Revenues                                  | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Application Fees                                   | Accounting - Customer                                             |
| 16          | <b>Total Expense Credits</b>                       |                                                                   |
| 17          | <b>Subtotal Expenses</b>                           |                                                                   |
| 18          | Disposal Gain / Loss                               | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 19          | <b>Subtotal Revenue Requirement<br/>Ex. Return</b> |                                                                   |
| 20          | Return on Debt                                     | Prorated on Rate Base - Sch.2.6 L.8                               |
| 21          | Return on Equity                                   | Prorated on Rate Base - Sch.2.6 L.10                              |
| 22          | <b>Total Revenue Requirement</b>                   |                                                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

**L'Anse au Loup**

**Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation**

| Line No.            | 1<br>Description                      | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Distribution Demand (\$) | 12<br>Secondary Lines Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lightin Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|---------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|--------------------------------|-------------------------------------|------------------------------|----------------------------|------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                |                                     |                              |                            |                                    |                                |                                           |
| 1                   | Diesel                                | 3,136,635              | 3,136,635                   | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 2                   | <b>Subtotal Production</b>            | <b>3,136,635</b>       | <b>3,136,635</b>            | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| <b>Transmission</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                |                                     |                              |                            |                                    |                                |                                           |
| 3                   | Lines                                 | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 4                   | Terminal Stations                     | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                       | <b>-</b>                            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                           | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                |                                     |                              |                            |                                    |                                |                                           |
| 6                   | Substation Structures & Equipment     | 90,204                 | 44,995                      | -                                            | -                             | 45,210                       | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 7                   | Land & Land Improvements              | 15,995                 | -                           | -                                            | -                             | -                            | 12,059                         | 1,536              | -                                  | -                   | 1,399                          | 1,000                               | -                            | -                          | -                                  | -                              | -                                         |
| 8                   | Poles                                 | 4,829,946              | -                           | -                                            | -                             | -                            | 2,793,390                      | 954,648            | -                                  | -                   | 494,432                        | 587,476                             | -                            | -                          | -                                  | -                              | -                                         |
| 9                   | Primary Conductor & Equipment         | 740,458                | -                           | -                                            | -                             | -                            | 656,786                        | 83,672             | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 10                  | Submarine Conductor                   | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 11                  | Transformers                          | 300,697                | -                           | -                                            | -                             | -                            | -                              | -                  | 108,552                            | 192,145             | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 12                  | Secondary Conductors & Equipment      | 194,187                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 113,211                        | 80,976                              | -                            | -                          | -                                  | -                              | -                                         |
| 13                  | Services                              | 161,436                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | 161,436                      | -                          | -                                  | -                              | -                                         |
| 14                  | Meters                                | 100,855                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | 100,855                    | -                                  | -                              | -                                         |
| 15                  | Street Lighting                       | 39,120                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | 39,120                             | -                              | -                                         |
| 16                  | <b>Subtotal Distribution</b>          | <b>6,472,898</b>       | <b>44,995</b>               | <b>-</b>                                     | <b>-</b>                      | <b>45,210</b>                | <b>3,462,235</b>               | <b>1,039,857</b>   | <b>108,552</b>                     | <b>192,145</b>      | <b>609,042</b>                 | <b>669,452</b>                      | <b>161,436</b>               | <b>100,855</b>             | <b>39,120</b>                      | <b>-</b>                       | <b>-</b>                                  |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>9,609,533</b>       | <b>3,181,630</b>            | <b>-</b>                                     | <b>-</b>                      | <b>45,210</b>                | <b>3,462,235</b>               | <b>1,039,857</b>   | <b>108,552</b>                     | <b>192,145</b>      | <b>609,042</b>                 | <b>669,452</b>                      | <b>161,436</b>               | <b>100,855</b>             | <b>39,120</b>                      | <b>-</b>                       | <b>-</b>                                  |
| 18                  | General                               | 470,964                | 155,932                     | -                                            | -                             | 2,216                        | 169,684                        | 50,963             | 5,320                              | 9,417               | 29,849                         | 32,810                              | 7,912                        | 4,943                      | 1,917                              | -                              | -                                         |
| 19                  | Telecontrol - Common                  | 75,906                 | 75,906                      | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 20                  | Telecontrol - Specific                | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 21                  | Feasibility Studies                   | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | -                              | -                                         |
| 22                  | Software - General                    | 27,194                 | 9,004                       | -                                            | -                             | 128                          | 9,798                          | 2,943              | 307                                | 544                 | 1,724                          | 1,894                               | 457                          | 285                        | 111                                | -                              | -                                         |
| 23                  | Software - Cust Acctng                | 13,586                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                              | -                                   | -                            | -                          | -                                  | 13,586                         | -                                         |
| 24                  | <b>Total Plant</b>                    | <b>10,197,183</b>      | <b>3,422,471</b>            | <b>-</b>                                     | <b>-</b>                      | <b>47,553</b>                | <b>3,641,717</b>               | <b>1,093,763</b>   | <b>114,179</b>                     | <b>202,106</b>      | <b>640,614</b>                 | <b>704,157</b>                      | <b>169,805</b>               | <b>106,083</b>             | <b>41,148</b>                      | <b>13,586</b>                  | <b>-</b>                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
 2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
 L'Anse au Loup  
 Functional Classification of Plant in Service for the Allocation of O&M Expense

| Line No. | 1<br>Description                      | 2<br>Basis of Functional Classification                                                          |
|----------|---------------------------------------|--------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                     |                                                                                                  |
| 1        | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.8                                                   |
| 2        | <b>Subtotal Production</b>            |                                                                                                  |
|          | <b>Transmission</b>                   |                                                                                                  |
| 3        | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4        | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5        | <b>Subtotal Transmission</b>          |                                                                                                  |
|          | <b>Distribution</b>                   |                                                                                                  |
| 6        | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7        | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8        | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9        | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10       | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11       | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12       | Secondary Conductors & Equipmen       | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13       | Services                              | Services Customer                                                                                |
| 14       | Meters                                | Meters - Customer                                                                                |
| 15       | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16       | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17       | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18       | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19       | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20       | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21       | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22       | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23       | Software - Cust Acctng                | Customer Accounting                                                                              |
| 24       | <b>Total Plant</b>                    |                                                                                                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**L'Anse au Loup**  
**Functional Classification of Net Book Value**

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 1,028,552         | 1,028,552              | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>1,028,552</b>  | <b>1,028,552</b>       | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 24,001            | 1,849                  | -                                       | -                        | 22,151                  | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | 8,893             | -                      | -                                       | -                        | -                       | 6,705                     | 854            | -                             | -              | 778                         | 556            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 2,847,337         | -                      | -                                       | -                        | -                       | 1,646,752                 | 562,782        | -                             | -              | 291,476                     | 346,327        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 318,229           | -                      | -                                       | -                        | -                       | 282,269                   | 35,960         | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 152,557           | -                      | -                                       | -                        | -                       | -                         | -              | 55,073                        | 97,484         | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 73,252            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 42,706                      | 30,546         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 73,025            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 73,025                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 57,100            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 57,100               | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 17,598            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 17,598                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>3,571,991</b>  | <b>1,849</b>           | -                                       | -                        | <b>22,151</b>           | <b>1,935,726</b>          | <b>599,596</b> | <b>55,073</b>                 | <b>97,484</b>  | <b>334,960</b>              | <b>377,430</b> | <b>73,025</b>          | <b>57,100</b>        | <b>17,598</b>                 | -                        | -                                   |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>4,600,543</b>  | <b>1,030,401</b>       | -                                       | -                        | <b>22,151</b>           | <b>1,935,726</b>          | <b>599,596</b> | <b>55,073</b>                 | <b>97,484</b>  | <b>334,960</b>              | <b>377,430</b> | <b>73,025</b>          | <b>57,100</b>        | <b>17,598</b>                 | -                        | -                                   |
| 18                  | General                               | 169,227           | 37,902                 | -                                       | -                        | 815                     | 71,204                    | 22,056         | 2,026                         | 3,586          | 12,321                      | 13,883         | 2,686                  | 2,100                | 647                           | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 40,031            | 40,031                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 17,644            | 3,952                  | -                                       | -                        | 85                      | 7,424                     | 2,300          | 211                           | 374            | 1,285                       | 1,448          | 280                    | 219                  | 67                            | -                        | -                                   |
| 23                  | Software - Cust Acctng                | 13,586            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | 13,586                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>4,841,030</b>  | <b>1,112,286</b>       | -                                       | -                        | <b>23,051</b>           | <b>2,014,354</b>          | <b>623,951</b> | <b>57,310</b>                 | <b>101,444</b> | <b>348,566</b>              | <b>392,760</b> | <b>75,991</b>          | <b>59,420</b>        | <b>18,312</b>                 | <b>13,586</b>            | -                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup  
Functional Classification of Operating & Maintenance Expense

| Line No.                | 1                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8             | 9                             | 10            | 11                       | 12            | 13                     | 14                   | 15                           | 16                       | 17                                  |
|-------------------------|---------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|--------------------------|---------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|                         | Description                                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Distribution Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>       |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| 1                       | Diesel                                            | 212,806           | 212,806                | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 2                       | <b>Subtotal Production</b>                        | <b>212,806</b>    | <b>212,806</b>         | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| <b>Transmission</b>     |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| 3                       | Transmission Lines                                | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 4                       | Terminal Stations                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 5                       | <b>Subtotal Transmission</b>                      | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>      | <b>-</b>                      | <b>-</b>      | <b>-</b>                 | <b>-</b>      | <b>-</b>               | <b>-</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b>     |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| 6                       | Other                                             | 255,403           | -                      | -                                       | -                        | 21,498                  | 135,290                   | 31,148        | 6,612                         | 11,704        | 17,144                   | 18,806        | 10,833                 | -                    | 2,368                        | -                        | -                                   |
| 7                       | Meters                                            | 8,574             | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | 8,574                | -                            | -                        | -                                   |
| 8                       | <b>Subtotal Distribution</b>                      | <b>263,977</b>    | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>21,498</b>           | <b>135,290</b>            | <b>31,148</b> | <b>6,612</b>                  | <b>11,704</b> | <b>17,144</b>            | <b>18,806</b> | <b>10,833</b>          | <b>8,574</b>         | <b>2,368</b>                 | <b>-</b>                 | <b>-</b>                            |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>             | <b>476,783</b>    | <b>212,806</b>         | <b>-</b>                                | <b>-</b>                 | <b>21,498</b>           | <b>135,290</b>            | <b>31,148</b> | <b>6,612</b>                  | <b>11,704</b> | <b>17,144</b>            | <b>18,806</b> | <b>10,833</b>          | <b>8,574</b>         | <b>2,368</b>                 | <b>-</b>                 | <b>-</b>                            |
| 10                      | Customer Accounting                               | 58,195            | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | 58,195                   | -                                   |
| <b>Overheads</b>        |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| <b>Plant-Related:</b>   |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| 11                      | Production                                        | 105,970           | 105,970                | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 12                      | Transmission                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 13                      | Distribution                                      | 68,591            | 477                    | -                                       | -                        | 479                     | 36,688                    | 11,019        | 1,150                         | 2,036         | 6,454                    | 7,094         | 1,711                  | 1,069                | 415                          | -                        | -                                   |
| 14                      | Prod, Trans, Distn Plant                          | 58,701            | 19,435                 | -                                       | -                        | 276                     | 21,150                    | 6,352         | 663                           | 1,174         | 3,720                    | 4,089         | 986                    | 616                  | 239                          | -                        | -                                   |
| 15                      | Telecontrol Plant                                 | 4,892             | 4,892                  | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                        | -             | -                      | -                    | -                            | -                        | -                                   |
| 16                      | Prod, Trans, Distn and General Plt                | 227               | 76                     | -                                       | -                        | 1                       | 81                        | 24            | 3                             | 4             | 14                       | 16            | 4                      | 2                    | 1                            | 0                        | -                                   |
| <b>Expense Related:</b> |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                          |               |                        |                      |                              |                          |                                     |
| 17                      | Property Insurance                                | 5,752             | 5,203                  | -                                       | -                        | 72                      | 259                       | 78            | 8                             | 14            | 45                       | 50            | 12                     | 8                    | 3                            | -                        | -                                   |
| 18                      | Municipal Tax                                     | 24,841            | -                      | -                                       | -                        | 2,023                   | 12,731                    | 2,931         | 622                           | 1,101         | 1,613                    | 1,770         | 1,019                  | 807                  | 223                          | -                        | -                                   |
| 19                      | Other Expense Related                             | 274,216           | 109,079                | -                                       | -                        | 11,019                  | 69,346                    | 15,966        | 3,389                         | 5,999         | 8,788                    | 9,639         | 5,553                  | 4,395                | 1,214                        | 29,829                   | -                                   |
| 20                      | <b>Subtotal Overheads</b>                         | <b>543,190</b>    | <b>245,132</b>         | <b>-</b>                                | <b>-</b>                 | <b>13,871</b>           | <b>140,255</b>            | <b>36,370</b> | <b>5,835</b>                  | <b>10,329</b> | <b>20,635</b>            | <b>22,658</b> | <b>9,285</b>           | <b>6,896</b>         | <b>2,094</b>                 | <b>29,830</b>            | <b>-</b>                            |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b> | <b>1,078,168</b>  | <b>457,938</b>         | <b>-</b>                                | <b>-</b>                 | <b>35,369</b>           | <b>275,545</b>            | <b>67,518</b> | <b>12,447</b>                 | <b>22,032</b> | <b>37,779</b>            | <b>41,464</b> | <b>20,118</b>          | <b>15,470</b>        | <b>4,462</b>                 | <b>88,025</b>            | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup  
Functional Classification of Operating & Maintenance Expense - Documentation

1

| Line No. | Description                                       | Basis of Functional Classification                                                                    |
|----------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                       |
| 1        | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L8                                                         |
| 2        | <b>Subtotal Production</b>                        |                                                                                                       |
|          | <b>Transmission</b>                               |                                                                                                       |
| 3        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                       |
|          | <b>Distribution</b>                               |                                                                                                       |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                            | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                  |                                                                                                       |
|          | Plant-Related:                                    |                                                                                                       |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14       | Prod, Trans, Distn Plant                          | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16       | Prod, Trans, Distn and General Plt                | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
|          | Expense Related:                                  |                                                                                                       |
| 17       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
| 18       | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup  
Functional Classification of Depreciation Expense

| Line No.            | 1                                    | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                           | 16                       | 17                                  |
|---------------------|--------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|                     | Description                          | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                      |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                              |                          |                                     |
| 1                   | Diesel                               | 106,655           | 106,655                | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>           | <b>106,655</b>    | <b>106,655</b>         | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| <b>Transmission</b> |                                      |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                              |                          |                                     |
| 3                   | Lines                                | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 4                   | Terminal Stations                    | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>                    | <b>-</b>                      | <b>-</b>                        | <b>-</b>                    | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                      |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                              |                          |                                     |
| 6                   | Substation Structures & Equipment    | 1,201             | 149                    | -                                       | -                        | 1,052                   | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 7                   | Land & Land Improvements             | 394               | -                      | -                                       | -                        | -                       | 297                       | 38                          | -                             | -                               | 34                          | 25                            | -                      | -                    | -                            | -                        | -                                   |
| 8                   | Poles                                | 134,903           | -                      | -                                       | -                        | -                       | 78,021                    | 26,664                      | -                             | -                               | 13,810                      | 16,409                        | -                      | -                    | -                            | -                        | -                                   |
| 9                   | Primary Conductor & Equipment        | 17,494            | -                      | -                                       | -                        | -                       | 15,517                    | 1,977                       | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 10                  | Submarine Conductor                  | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 11                  | Transformers                         | 9,259             | -                      | -                                       | -                        | -                       | -                         | -                           | 3,342                         | 5,917                           | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment     | 4,953             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | 2,888                       | 2,065                         | -                      | -                    | -                            | -                        | -                                   |
| 13                  | Services                             | 3,645             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | 3,645                  | -                    | -                            | -                        | -                                   |
| 14                  | Meters                               | 2,868             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | 2,868                | -                            | -                        | -                                   |
| 15                  | Street Lighting                      | 1,061             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | 1,061                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>         | <b>175,779</b>    | <b>149</b>             | <b>-</b>                                | <b>-</b>                 | <b>1,052</b>            | <b>93,835</b>             | <b>28,679</b>               | <b>3,342</b>                  | <b>5,917</b>                    | <b>16,732</b>               | <b>18,499</b>                 | <b>3,645</b>           | <b>2,868</b>         | <b>1,061</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subtotal Prod Tran &amp; Dist</b> | <b>282,434</b>    | <b>106,804</b>         | <b>-</b>                                | <b>-</b>                 | <b>1,052</b>            | <b>93,835</b>             | <b>28,679</b>               | <b>3,342</b>                  | <b>5,917</b>                    | <b>16,732</b>               | <b>18,499</b>                 | <b>3,645</b>           | <b>2,868</b>         | <b>1,061</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                              | 48,041            | 18,167                 | -                                       | -                        | 179                     | 15,961                    | 4,878                       | 569                           | 1,006                           | 2,846                       | 3,147                         | 620                    | 488                  | 180                          | -                        | -                                   |
| 19                  | Telecontrol - Common                 | 6,283             | 6,283                  | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 20                  | Telecontrol - Specific               | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 21                  | Feasibility Studies                  | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | -                        | -                                   |
| 22                  | Software - General                   | 28,456            | 10,761                 | -                                       | -                        | 106                     | 9,454                     | 2,889                       | 337                           | 596                             | 1,686                       | 1,864                         | 367                    | 289                  | 107                          | -                        | -                                   |
| 23                  | Software - Cust Acctng               | 9,057             | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                            | 9,057                    | -                                   |
| 24                  | <b>Total Depreciation Expense</b>    | <b>374,272</b>    | <b>142,015</b>         | <b>-</b>                                | <b>-</b>                 | <b>1,337</b>            | <b>119,250</b>            | <b>36,446</b>               | <b>4,248</b>                  | <b>7,519</b>                    | <b>21,264</b>               | <b>23,509</b>                 | <b>4,633</b>           | <b>3,645</b>         | <b>1,348</b>                 | <b>9,057</b>             | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup  
Functional Classification of Rate Base

| Line No. | 1                                                               | 2                 | 3                      | 4              | 5            | 6           | 7             | 8                 | 9               | 10            | 11          | 12             | 13            | 14            | 15            | 16            | 17                     |
|----------|-----------------------------------------------------------------|-------------------|------------------------|----------------|--------------|-------------|---------------|-------------------|-----------------|---------------|-------------|----------------|---------------|---------------|---------------|---------------|------------------------|
|          |                                                                 |                   |                        | Production and |              |             |               |                   |                 |               |             |                |               |               |               |               |                        |
|          |                                                                 |                   |                        | Transmission   | Transmission | Substations | Primary Lines | Line Transformers | Secondary Lines | Services      | Meters      | Street Lightin | Accounting    |               |               |               | Specifically           |
|          | Description                                                     | Total Amount (\$) | Production Demand (\$) | Energy (\$)    | Demand (\$)  | Demand (\$) | Demand (\$)   | Customer (\$)     | Demand (\$)     | Customer (\$) | Demand (\$) | Customer (\$)  | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$) | Assigned Customer (\$) |
| 1        | Average Net Book Value                                          | 4,841,030         | 1,112,286              | -              | -            | 23,051      | 2,014,354     | 623,951           | 57,310          | 101,444       | 348,566     | 392,760        | 75,991        | 59,420        | 18,312        | 13,586        | -                      |
| 2        | Cash Working Capital                                            | 11,524            | 2,648                  | -              | -            | 55          | 4,795         | 1,485             | 136             | 241           | 830         | 935            | 181           | 141           | 44            | 32            | -                      |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                 | -                      | -              | -            | -           | -             | -                 | -               | -             | -           | -              | -             | -             | -             | -             | -                      |
| 4        | Fuel Inventory - Diesel                                         | 23,734            | -                      | 23,734         | -            | -           | -             | -                 | -               | -             | -           | -              | -             | -             | -             | -             | -                      |
| 5        | Fuel Inventory - Gas Turbine                                    | -                 | -                      | -              | -            | -           | -             | -                 | -               | -             | -           | -              | -             | -             | -             | -             | -                      |
| 6        | Inventory/Supplies                                              | 124,133           | 41,662                 | -              | -            | 579         | 44,331        | 13,315            | 1,390           | 2,460         | 7,798       | 8,572          | 2,067         | 1,291         | 501           | 165           | -                      |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 335,703           | 77,132                 | -              | -            | 1,598       | 139,686       | 43,268            | 3,974           | 7,035         | 24,171      | 27,236         | 5,270         | 4,120         | 1,270         | 942           | -                      |
| 8        | Total Rate Base                                                 | 5,336,123         | 1,233,728              | 23,734         | -            | 25,283      | 2,203,166     | 682,019           | 62,811          | 111,180       | 381,365     | 429,503        | 83,508        | 64,973        | 20,127        | 14,726        | -                      |
| 9        | Less: Rural Portion                                             | (5,336,123)       | (1,233,728)            | (23,734)       | -            | (25,283)    | (2,203,166)   | (682,019)         | (62,811)        | (111,180)     | (381,365)   | (429,503)      | (83,508)      | (64,973)      | (20,127)      | (14,726)      | -                      |
| 10       | Rate Base Available for Equity Return                           | -                 | -                      | -              | -            | -           | -             | -                 | -               | -             | -           | -              | -             | -             | -             | -             | -                      |
| 11       | Return on Debt                                                  | 354,612           | 81,987                 | 1,577          | -            | 1,680       | 146,411       | 45,324            | 4,174           | 7,388         | 25,344      | 28,543         | 5,550         | 4,318         | 1,338         | 979           | -                      |
| 12       | Return on Equity                                                | -                 | -                      | -              | -            | -           | -             | -                 | -               | -             | -           | -              | -             | -             | -             | -             | -                      |
| 13       | Return on Rate Base                                             | 354,612           | 81,987                 | 1,577          | -            | 1,680       | 146,411       | 45,324            | 4,174           | 7,388         | 25,344      | 28,543         | 5,550         | 4,318         | 1,338         | 979           | -                      |

NEWFOUNDLAND & LABRADOR HYDRO  
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 L'Anse au Loup  
 Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Energy                                 |
| 4           | Fuel Inventory - Diesel                                            |                                                     |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and<br>Regulatory Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.2,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.2,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
L'Anse au Loup  
Basis of Allocation to Classes of Service

|          | 1                            | 2            | 3                 | 4                   | 5                   | 6                  | 7             | 8            | 9                 | 10           | 11              | 12           | 13               | 14       | 15             | 16           | 17                             |
|----------|------------------------------|--------------|-------------------|---------------------|---------------------|--------------------|---------------|--------------|-------------------|--------------|-----------------|--------------|------------------|----------|----------------|--------------|--------------------------------|
| Line No. | Description                  | Total Amount | Production Demand | Production and      | Transmission Demand | Substations Demand | Distribution  |              |                   |              |                 |              |                  |          |                |              | Specifically Assigned Customer |
|          |                              |              |                   | Transmission Energy |                     |                    | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services         | Meters   | Street Lightin | Accounting   |                                |
|          |                              |              |                   |                     |                     |                    | Demand        | Demand       | Customer          | Demand       | Customer        | Demand       | Customer         | Customer | Customer       | Customer     |                                |
|          |                              |              | (CP kW)           | (MWh @ Gen)         | (CP kW)             | (CP kW)            | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wtd Rural Cust) |          |                | (Rural Cust) |                                |
| Amounts  |                              |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                  |          |                |              |                                |
| 1        | 1.2 Domestic Diesel          | -            | 2,075             | 8,007               | 2,071               | 2,071              | 1,846         | 720          | 1,815             | 720          | 1,702           | 720          | 720              | 720      | -              | 720          | -                              |
| 2        | 1.12 Domestic All Electric   | -            | 130               | 399                 | 130                 | 130                | 116           | 20           | 114               | 20           | 107             | 20           | 20               | 20       | -              | 20           | -                              |
| 3        | 2.1 GS 0-10 kW               | -            | 300               | 1,426               | 300                 | 300                | 267           | 151          | 263               | 151          | 246             | 151          | 302              | 302      | -              | 151          | -                              |
| 4        | 2.2 GS 10-100 kW             | -            | 530               | 2,587               | 530                 | 530                | 472           | 43           | 464               | 43           | 435             | 43           | 347              | 347      | -              | 43           | -                              |
| 5        | 2.3 GS 110-1,000 kVa         | -            | 22                | 796                 | 22                  | 22                 | 20            | 2            | 19                | 2            | 18              | 2            | 17               | 17       | -              | 2            | -                              |
| 6        | 4.1 Street and Area Lighting | -            | 39                | 141                 | 39                  | 39                 | 35            | 33           | 35                | 33           | 32              | 33           | -                | -        | 1              | 33           | -                              |
| 7        | Total                        | -            | 3,097             | 13,357              | 3,092               | 3,092              | 2,755         | 969          | 2,710             | 969          | 2,541           | 969          | 1,406            | 1,406    | 1              | 969          | 0                              |
| Ratios   |                              |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                  |          |                |              |                                |
| 8        | 1.2 Domestic Diesel          | -            | 0.6699            | 0.5995              | 0.6699              | 0.6699             | 0.6699        | 0.7430       | 0.6699            | 0.7430       | 0.6699          | 0.7430       | 0.5120           | 0.5120   | -              | 0.7430       | -                              |
| 9        | 1.12 Domestic All Electric   | -            | 0.0421            | 0.0299              | 0.0421              | 0.0421             | 0.0421        | 0.0206       | 0.0421            | 0.0206       | 0.0421          | 0.0206       | 0.0142           | 0.0142   | -              | 0.0206       | -                              |
| 10       | 2.1 GS 0-10 kW               | -            | 0.0969            | 0.1067              | 0.0969              | 0.0969             | 0.0969        | 0.1558       | 0.0969            | 0.1558       | 0.0969          | 0.1558       | 0.2148           | 0.2148   | -              | 0.1558       | -                              |
| 11       | 2.2 GS 10-100 kW             | -            | 0.1713            | 0.1937              | 0.1713              | 0.1713             | 0.1713        | 0.0444       | 0.1713            | 0.0444       | 0.1713          | 0.0444       | 0.2468           | 0.2468   | -              | 0.0444       | -                              |
| 12       | 2.3 GS 110-1,000 kVa         | -            | 0.0071            | 0.0596              | 0.0071              | 0.0071             | 0.0071        | 0.0021       | 0.0071            | 0.0021       | 0.0071          | 0.0021       | 0.0122           | 0.0122   | -              | 0.0021       | -                              |
| 13       | 4.1 Street and Area Lighting | -            | 0.0128            | 0.0106              | 0.0128              | 0.0128             | 0.0128        | 0.0341       | 0.0128            | 0.0341       | 0.0128          | 0.0341       | -                | -        | 1.0000         | 0.0341       | -                              |
| 14       | Total                        | -            | 1.0000            | 1.0000              | 1.0000              | 1.0000             | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000   | 1.0000         | 1.0000       | 0.0000                         |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

L'Anse au Loup

**Allocation of Functionalized Amounts to Classes of Service**

|                                                | 1                            | 2         | 3          | 4              | 5        | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15             | 16         | 17           |
|------------------------------------------------|------------------------------|-----------|------------|----------------|----------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|----------------|------------|--------------|
|                                                |                              |           |            | Production and |          | Distribution |               |          |                   |          |                 |          |          |          |                |            |              |
| Line                                           |                              | Total     | Production | Transmission   | Transmsn | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lightin | Accounting | Specifically |
| No.                                            | Description                  | Amount    | Demand     | Energy         | Demand   | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer       | Customer   | Assigned     |
|                                                |                              | (\$)      | (\$)       | (\$)           | (\$)     | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)           | (\$)       | Customer     |
| Allocated Revenue Requirement Excluding Return |                              |           |            |                |          |              |               |          |                   |          |                 |          |          |          |                |            |              |
| 1                                              | 1.2 Domestic Diesel          | 1,387,782 | 400,138    | 423,656        | -        | 24,453       | 255,027       | 73,788   | 11,136            | 21,865   | 37,923          | 46,147   | 12,614   | 9,742    | -              | 71,291     | -            |
| 2                                              | 1.12 Domestic All Electric   | 73,442    | 25,136     | 21,129         | -        | 1,536        | 16,020        | 2,050    | 700               | 607      | 2,382           | 1,282    | 350      | 271      | -              | 1,980      | -            |
| 3                                              | 2.1 GS 0-10 kW               | 234,910   | 57,888     | 75,425         | -        | 3,538        | 36,895        | 15,475   | 1,611             | 4,586    | 5,486           | 9,678    | 5,291    | 4,086    | -              | 14,951     | -            |
| 4                                              | 2.2 GS 10-100 kW             | 346,718   | 102,320    | 136,885        | -        | 6,253        | 65,213        | 4,407    | 2,848             | 1,306    | 9,697           | 2,756    | 6,081    | 4,696    | -              | 4,258      | -            |
| 5                                              | 2.3 GS 110-1,000 kVa         | 51,007    | 4,254      | 42,137         | -        | 260          | 2,711         | 205      | 118               | 61       | 403             | 128      | 300      | 232      | -              | 198        | -            |
| 6                                              | 4.1 Street and Area Lighting | 36,886    | 7,617      | 7,464          | -        | 465          | 4,855         | 3,382    | 212               | 1,002    | 722             | 2,115    | -        | -        | 5,785          | 3,268      | -            |
| 7                                              | Total                        | 2,130,746 | 597,352    | 706,695        | -        | 36,506       | 380,721       | 99,306   | 16,624            | 29,426   | 56,614          | 62,106   | 24,637   | 19,028   | 5,785          | 95,946     | -            |
| Allocated Return on Debt                       |                              |           |            |                |          |              |               |          |                   |          |                 |          |          |          |                |            |              |
| 8                                              | 1.2 Domestic Diesel          | 240,991   | 54,919     | 946            | -        | 1,125        | 98,074        | 33,677   | 2,796             | 5,490    | 16,976          | 21,208   | 2,841    | 2,211    | -              | 727        | -            |
| 9                                              | 1.12 Domestic All Electric   | 12,808    | 3,450      | 47             | -        | 71           | 6,161         | 935      | 176               | 152      | 1,066           | 589      | 79       | 61       | -              | 20         | -            |
| 10                                             | 2.1 GS 0-10 kW               | 40,259    | 7,945      | 168            | -        | 163          | 14,188        | 7,063    | 404               | 1,151    | 2,456           | 4,448    | 1,192    | 927      | -              | 152        | -            |
| 11                                             | 2.2 GS 10-100 kW             | 50,856    | 14,043     | 306            | -        | 288          | 25,079        | 2,011    | 715               | 328      | 4,341           | 1,267    | 1,370    | 1,066    | -              | 43         | -            |
| 12                                             | 2.3 GS 110-1,000 kVa         | 2,233     | 584        | 94             | -        | 12           | 1,043         | 94       | 30                | 15       | 180             | 59       | 68       | 53       | -              | 2          | -            |
| 13                                             | 4.1 Street and Area Lighting | 7,465     | 1,045      | 17             | -        | 21           | 1,867         | 1,544    | 53                | 252      | 323             | 972      | -        | -        | 1,338          | 33         | -            |
| 14                                             | Total                        | 354,612   | 81,987     | 1,577          | -        | 1,680        | 146,411       | 45,324   | 4,174             | 7,388    | 25,344          | 28,543   | 5,550    | 4,318    | 1,338          | 979        | -            |
| Allocated Return on Equity                     |                              |           |            |                |          |              |               |          |                   |          |                 |          |          |          |                |            |              |
| 15                                             | All Classes                  | -         | -          | -              | -        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -              | -          | -            |
| Total Allocated Revenue Requirement            |                              |           |            |                |          |              |               |          |                   |          |                 |          |          |          |                |            |              |
| 16                                             | 1.2 Domestic Diesel          | 1,628,773 | 455,058    | 424,601        | -        | 25,579       | 353,101       | 107,464  | 13,932            | 27,355   | 54,900          | 67,355   | 15,456   | 11,953   | -              | 72,019     | -            |
| 17                                             | 1.12 Domestic All Electric   | 86,251    | 28,585     | 21,176         | -        | 1,607        | 22,181        | 2,985    | 875               | 760      | 3,449           | 1,871    | 429      | 332      | -              | 2,001      | -            |
| 18                                             | 2.1 GS 0-10 kW               | 275,169   | 65,833     | 75,593         | -        | 3,701        | 51,083        | 22,538   | 2,016             | 5,737    | 7,942           | 14,126   | 6,483    | 5,014    | -              | 15,104     | -            |
| 19                                             | 2.2 GS 10-100 kW             | 397,574   | 116,363    | 137,190        | -        | 6,541        | 90,292        | 6,418    | 3,563             | 1,634    | 14,038          | 4,023    | 7,450    | 5,762    | -              | 4,301      | -            |
| 20                                             | 2.3 GS 110-1,000 kVa         | 53,240    | 4,837      | 42,231         | -        | 272          | 3,754         | 299      | 148               | 76       | 584             | 187      | 368      | 285      | -              | 200        | -            |
| 21                                             | 4.1 Street and Area Lighting | 44,351    | 8,662      | 7,481          | -        | 487          | 6,721         | 4,925    | 265               | 1,254    | 1,045           | 3,087    | -        | -        | 7,122          | 3,301      | -            |
| 22                                             | Total                        | 2,485,358 | 679,339    | 708,272        | -        | 38,186       | 527,132       | 144,629  | 20,798            | 36,815   | 81,958          | 90,649   | 30,186   | 23,345   | 7,122          | 96,925     | -            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Functional Classification of Revenue Requirement**

| Line No.               | 1                                              | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|------------------------|------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                        | Description                                    | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Expenses</b>        |                                                |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                      | Operating & Maintenance                        | 4,267,286         | 448,087                | -                                       | 715,926                  | 243,480                 | 1,056,586                 | 241,937        | 65,542                        | 116,014        | 136,908                     | 148,724        | 92,098                 | 159,304              | 21,050                        | 821,585                  | 45                                  |
| 2                      | Fuels                                          | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 3                      | Fuels-Diesel                                   | 8,484             | 8,484                  | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                      | Fuels-Gas Turbine                              | 94,741            | 94,741                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                      | Power Purchases -CF(L)Co                       | 2,583,013         | 1,065,034              | 1,517,979                               | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 6                      | Power Purchases-Other                          | 119,100           | -                      | -                                       | -                        | 119,100                 | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                      | Depreciation                                   | 2,539,839         | 1,201,830              | -                                       | 519,196                  | 152,009                 | 229,526                   | 53,680         | 51,489                        | 91,139         | 39,551                      | 39,704         | 43,956                 | 20,321               | 13,086                        | 84,264                   | 88                                  |
| <b>Expense Credits</b> |                                                |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 8                      | Sundry                                         | (21,599)          | (2,268)                | -                                       | (3,624)                  | (1,232)                 | (5,348)                   | (1,225)        | (332)                         | (587)          | (693)                       | (753)          | (466)                  | (806)                | (107)                         | (4,158)                  | (0)                                 |
| 9                      | Building Rental Income                         | (13,524)          | (4,748)                | -                                       | (3,725)                  | (1,270)                 | (1,604)                   | (393)          | (286)                         | (506)          | (270)                       | (275)          | (250)                  | (128)                | (68)                          | -                        | (1)                                 |
| 10                     | Tax Refunds                                    | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                     | Suppliers' Discounts                           | (2,638)           | (277)                  | -                                       | (443)                    | (151)                   | (653)                     | (150)          | (41)                          | (72)           | (85)                        | (92)           | (57)                   | (98)                 | (13)                          | (508)                    | (0)                                 |
| 12                     | Pole Attachments                               | 63,700            | -                      | -                                       | -                        | -                       | 36,841                    | 12,590         | -                             | -              | 6,521                       | 7,748          | -                      | -                    | -                             | -                        | -                                   |
| 13                     | Secondary Energy Revenues                      | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 14                     | Wheeling Revenues                              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 15                     | Application Fees                               | (22,208)          | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | (22,208)                 | -                                   |
| 16                     | <b>Total Expense Credits</b>                   | <b>3,731</b>      | <b>(7,293)</b>         | <b>-</b>                                | <b>(7,791)</b>           | <b>(2,653)</b>          | <b>29,236</b>             | <b>10,823</b>  | <b>(658)</b>                  | <b>(1,165)</b> | <b>5,473</b>                | <b>6,628</b>   | <b>(773)</b>           | <b>(1,033)</b>       | <b>(187)</b>                  | <b>(26,874)</b>          | <b>(1)</b>                          |
| 17                     | <b>Subtotal Expenses</b>                       | <b>9,616,194</b>  | <b>2,810,883</b>       | <b>1,517,979</b>                        | <b>1,227,331</b>         | <b>511,936</b>          | <b>1,315,349</b>          | <b>306,440</b> | <b>116,372</b>                | <b>205,988</b> | <b>181,932</b>              | <b>195,056</b> | <b>135,280</b>         | <b>178,592</b>       | <b>33,949</b>                 | <b>878,974</b>           | <b>132</b>                          |
| 18                     | Disposal Gain / Loss                           | (32,984)          | (10,564)               | -                                       | (12,416)                 | (2,179)                 | (3,085)                   | (729)          | (664)                         | (1,176)        | (520)                       | (524)          | (610)                  | (248)                | (176)                         | (90)                     | (3)                                 |
| 19                     | <b>Subtotal Revenue Requirement Ex. Return</b> | <b>9,583,210</b>  | <b>2,800,319</b>       | <b>1,517,979</b>                        | <b>1,214,915</b>         | <b>509,757</b>          | <b>1,312,264</b>          | <b>305,711</b> | <b>115,708</b>                | <b>204,813</b> | <b>181,413</b>              | <b>194,532</b> | <b>134,670</b>         | <b>178,344</b>       | <b>33,773</b>                 | <b>878,883</b>           | <b>129</b>                          |
| 20                     | Return on Debt                                 | 3,365,013         | 1,085,410              | -                                       | 1,257,234                | 223,457                 | 315,415                   | 74,619         | 67,627                        | 119,705        | 53,130                      | 53,613         | 62,100                 | 25,391               | 17,856                        | 9,104                    | 351                                 |
| 21                     | Return on Equity                               | 259,003           | 83,543                 | -                                       | 96,769                   | 17,199                  | 24,277                    | 5,743          | 5,205                         | 9,214          | 4,089                       | 4,127          | 4,780                  | 1,954                | 1,374                         | 701                      | 27                                  |
| 22                     | <b>Total Revenue Requirement</b>               | <b>13,207,226</b> | <b>3,969,273</b>       | <b>1,517,979</b>                        | <b>2,568,917</b>         | <b>750,414</b>          | <b>1,651,956</b>          | <b>386,073</b> | <b>188,540</b>                | <b>333,732</b> | <b>238,632</b>              | <b>252,272</b> | <b>201,550</b>         | <b>205,689</b>       | <b>53,004</b>                 | <b>888,689</b>           | <b>506</b>                          |

NEWFOUNDLAND & LABRADOR HYDRO  
 2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
 Labrador Interconnected  
 Functional Classification of Revenue Requirement - Documentation

| Line<br>No. | 1<br>Description                               | 2<br>Basis of Functional Classification                           |
|-------------|------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                |                                                                   |
| 1           | Operating & Maintenance                        | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                          |                                                                   |
| 3           | Fuels-Diesel                                   | Production - Demand                                               |
| 4           | Fuels-Gas Turbine                              | Production - Demand                                               |
| 5           | Power Purchases -CF(L)Co                       | Carryforward from Sch.4.4 L.8                                     |
| 6           | Power Purchases-Other                          | Carryforward from Sch.4.4 L.9                                     |
| 7           | Depreciation                                   | Carryforward from Sch.2.5 L.25                                    |
|             | <b>Expense Credits</b>                         |                                                                   |
| 8           | Sundry                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                         | Prorated on General Plant - Sch.2.2 L.19                          |
| 10          | Tax Refunds                                    | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                           | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                               | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                      | Production - Energy                                               |
| 14          | Wheeling Revenues                              | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Application Fees                               | Accounting - Customer                                             |
| 16          | <b>Total Expense Credits</b>                   |                                                                   |
| 17          | <b>Subtotal Expenses</b>                       |                                                                   |
| 18          | Disposal Gain / Loss                           | Prorated on Total Net Book Value - Sch.2.3 L.25                   |
| 19          | <b>Subtotal Revenue Requirement Ex. Return</b> |                                                                   |
| 20          | Return on Debt                                 | Prorated on Rate Base - Sch.2.6 L.8                               |
| 21          | Return on Equity                               | Prorated on Rate Base - Sch.2.6 L.10                              |
| 22          | <b>Total Revenue Requirement</b>               |                                                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Functional Classification of Plant in Service for the Allocation of O&M Expense**

| Line No.            | 1<br>Description                      | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|---------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 1                   | Gas Turbines                          | 22,454,536             | 22,454,536                  | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                   | Diesel                                | 3,503,199              | 3,503,199                   | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 3                   | <b>Subtotal Production</b>            | <b>25,957,736</b>      | <b>25,957,736</b>           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 4                   | Lines                                 | 16,456,031             | -                           | -                                            | 16,001,835                    | -                            | 454,196                        | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                   | Terminal Stations                     | 4,693,256              | -                           | -                                            | 4,401,612                     | 286,590                      | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 5,054                                     |
| 6                   | <b>Subtotal Transmission</b>          | <b>21,149,287</b>      | -                           | -                                            | <b>20,403,448</b>             | <b>286,590</b>               | <b>454,196</b>                 | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | <b>5,054</b>                              |
| <b>Distribution</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 7                   | Substations                           | 6,718,412              | 49,790                      | -                                            | -                             | 6,668,622                    | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 8                   | Land & Land Improvements              | 401,636                | -                           | -                                            | -                             | -                            | 302,813                        | 38,577             | -                                  | -                   | 35,123                            | 25,122              | -                            | -                          | -                                   | -                              | -                                         |
| 9                   | Poles                                 | 9,314,116              | -                           | -                                            | -                             | -                            | 5,386,800                      | 1,840,954          | -                                  | -                   | 953,467                           | 1,132,895           | -                            | -                          | -                                   | -                              | -                                         |
| 10                  | Primary Conductor & Eqpt              | 2,439,333              | -                           | -                                            | -                             | -                            | 2,163,688                      | 275,645            | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 11                  | Submarine Conductor                   | 475,797                | -                           | -                                            | -                             | -                            | 475,797                        | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                  | Transformers                          | 4,337,828              | -                           | -                                            | -                             | -                            | -                              | -                  | 1,565,956                          | 2,771,872           | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 13                  | Secondary Conductor&Eqpt              | 840,746                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 490,155                           | 350,591             | -                            | -                          | -                                   | -                              | -                                         |
| 14                  | Services                              | 1,370,924              | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | 1,370,924                    | -                          | -                                   | -                              | -                                         |
| 15                  | Meters                                | 700,070                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 700,070                    | -                                   | -                              | -                                         |
| 16                  | Street Lighting                       | 371,648                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | 371,648                             | -                              | -                                         |
| 17                  | <b>Subtotal Distribution</b>          | <b>26,970,510</b>      | <b>49,790</b>               | -                                            | -                             | <b>6,668,622</b>             | <b>8,329,099</b>               | <b>2,155,175</b>   | <b>1,565,956</b>                   | <b>2,771,872</b>    | <b>1,478,745</b>                  | <b>1,508,608</b>    | <b>1,370,924</b>             | <b>700,070</b>             | <b>371,648</b>                      | -                              | -                                         |
| 18                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>74,077,533</b>      | <b>26,007,526</b>           | -                                            | <b>20,403,448</b>             | <b>6,955,211</b>             | <b>8,783,295</b>               | <b>2,155,175</b>   | <b>1,565,956</b>                   | <b>2,771,872</b>    | <b>1,478,745</b>                  | <b>1,508,608</b>    | <b>1,370,924</b>             | <b>700,070</b>             | <b>371,648</b>                      | -                              | <b>5,054</b>                              |
| 19                  | General                               | 3,658,483              | 1,284,439                   | -                                            | 1,007,670                     | 343,499                      | 433,782                        | 106,438            | 77,338                             | 136,895             | 73,031                            | 74,506              | 67,706                       | 34,575                     | 18,355                              | -                              | 250                                       |
| 20                  | Telecontrol - Common                  | 1,292,443              | 712,261                     | -                                            | 559,856                       | 7,864                        | 12,463                         | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 21                  | Telecontrol - Specific                | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 22                  | Feasibility Studies                   | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 23                  | Software - General                    | 209,631                | 73,598                      | -                                            | 57,739                        | 19,682                       | 24,856                         | 6,099              | 4,431                              | 7,844               | 4,185                             | 4,269               | 3,880                        | 1,981                      | 1,052                               | -                              | 14                                        |
| 24                  | Software - Cust Acctng                | 126,395                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | 126,395                        | -                                         |
| 25                  | <b>Total Plant</b>                    | <b>79,364,486</b>      | <b>28,077,825</b>           | -                                            | <b>22,028,712</b>             | <b>7,326,256</b>             | <b>9,254,396</b>               | <b>2,267,712</b>   | <b>1,647,726</b>                   | <b>2,916,611</b>    | <b>1,555,961</b>                  | <b>1,587,383</b>    | <b>1,442,510</b>             | <b>736,626</b>             | <b>391,054</b>                      | <b>126,395</b>                 | <b>5,318</b>                              |

NEWFOUNDLAND & LABRADOR HYDRO  
 2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
 Labrador Interconnected  
 Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No.            | 1<br>Description                      | 2<br>Basis of Functional Classification                                                                         |
|---------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                       |                                                                                                                 |
| 1                   | Gas Turbines                          | Production - Demand, Energy ratios Sch.4.1 L.9                                                                  |
| 2                   | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.9                                                                  |
| 3                   | <b>Subtotal Production</b>            |                                                                                                                 |
| <b>Transmission</b> |                                       |                                                                                                                 |
| 4                   | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr                |
| 5                   | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                               |
| 6                   | <b>Subtotal Transmission</b>          |                                                                                                                 |
| <b>Distribution</b> |                                       |                                                                                                                 |
| 7                   | Substations                           | Distribution plant other than Substations, Meters and Submarine prorated to functions based on special analysis |
| 8                   | Land & Land Improvements              | Production - Demand; Dist Substns - Demand                                                                      |
| 9                   | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                                      |
| 10                  | Primary Conductor & Eqpt              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                                      |
| 11                  | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                                 |
| 12                  | Transformers                          | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                                 |
| 13                  | Secondary Conductor&Eqpt              | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                                            |
| 14                  | Services                              | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                                              |
| 15                  | Meters                                | Services Customer                                                                                               |
| 16                  | Street Lighting                       | Meters - Customer                                                                                               |
| 17                  | <b>Subtotal Distribution</b>          | Street Lighting - Customer                                                                                      |
| 18                  | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                                 |
| 19                  | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.18                                      |
| 20                  | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 3, 6                                            |
| 21                  | Telecontrol - Specific                | Specifically Assigned - Customer                                                                                |
| 22                  | Feasibility Studies                   | Production, Transmission - Demand                                                                               |
| 23                  | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.18                                      |
| 24                  | Software - Cust Acctg                 |                                                                                                                 |
| 25                  | <b>Total Plant</b>                    |                                                                                                                 |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Interconnected  
Functional Classification of Net Book Value

|              | 1                          | 2          | 3          | 4              | 5            | 6            | 7             | 8         | 9                 | 10        | 11              | 12       | 13       | 14       | 15              | 16         | 17           |  |  |
|--------------|----------------------------|------------|------------|----------------|--------------|--------------|---------------|-----------|-------------------|-----------|-----------------|----------|----------|----------|-----------------|------------|--------------|--|--|
|              |                            |            |            | Production and |              | Distribution |               |           |                   |           |                 |          |          |          |                 |            |              |  |  |
| Line         |                            | Total      | Production | Transmission   | Transmission | Substations  | Primary Lines |           | Line Transformers |           | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Specifically |  |  |
| No.          | Description                | Amount     | Demand     | Energy         | Demand       | Demand       | Demand        | Customer  | Demand            | Customer  | Demand          | Customer | Customer | Customer | Customer        | Customer   | Assigned     |  |  |
|              |                            | (\$)       | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)      | (\$)              | (\$)      | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | Customer     |  |  |
| Production   |                            |            |            |                |              |              |               |           |                   |           |                 |          |          |          |                 |            |              |  |  |
| 1            | Gas Turbines               | 13,237,573 | 13,237,573 | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 2            | Diesel                     | 991,739    | 991,739    | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 3            | Subtotal Production        | 14,229,312 | 14,229,312 | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| Transmission |                            |            |            |                |              |              |               |           |                   |           |                 |          |          |          |                 |            |              |  |  |
| 4            | Lines                      | 13,360,320 | -          | -              | 13,200,837   | -            | 159,484       | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 5            | Terminal Stations          | 3,839,762  | -          | -              | 3,560,656    | 274,423      | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | 4,683        |  |  |
| 6            | Subtotal Transmission      | 17,200,082 | -          | -              | 16,761,492   | 274,423      | 159,484       | -         | -                 | -         | -               | -        | -        | -        | -               | -          | 4,683        |  |  |
| Distribution |                            |            |            |                |              |              |               |           |                   |           |                 |          |          |          |                 |            |              |  |  |
| 7            | Substations                | 2,719,271  | 32,364     | -              | -            | 2,686,907    | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 8            | Land & Land Improvements   | 158,571    | -          | -              | -            | -            | 119,555       | 15,231    | -                 | -         | 13,867          | 9,919    | -        | -        | -               | -          | -            |  |  |
| 9            | Poles                      | 4,284,914  | -          | -              | -            | -            | 2,478,171     | 846,922   | -                 | -         | 438,638         | 521,183  | -        | -        | -               | -          | -            |  |  |
| 10           | Primary Conductor & Eqpt   | 1,144,805  | -          | -              | -            | -            | 1,015,442     | 129,363   | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 11           | Submarine Conductor        | 420,968    | -          | -              | -            | -            | 420,968       | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 12           | Transformers               | 2,501,655  | -          | -              | -            | -            | -             | -         | 903,097           | 1,598,558 | -               | -        | -        | -        | -               | -          | -            |  |  |
| 13           | Secondary Conductor&Eqpt   | 435,876    | -          | -              | -            | -            | -             | -         | -                 | -         | 254,116         | 181,760  | -        | -        | -               | -          | -            |  |  |
| 14           | Services                   | 830,068    | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | 830,068  | -        | -               | -          | -            |  |  |
| 15           | Meters                     | 337,771    | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | 337,771  | -               | -          | -            |  |  |
| 16           | Street Lighting            | 238,934    | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | 238,934         | -          | -            |  |  |
| 17           | Subtotal Distribution      | 13,072,834 | 32,364     | -              | -            | 2,686,907    | 4,034,137     | 991,516   | 903,097           | 1,598,558 | 706,621         | 712,862  | 830,068  | 337,771  | 238,934         | -          | -            |  |  |
| 18           | Subttl Prod, Trans, & Dist | 44,502,229 | 14,261,676 | -              | 16,761,492   | 2,961,329    | 4,193,621     | 991,516   | 903,097           | 1,598,558 | 706,621         | 712,862  | 830,068  | 337,771  | 238,934         | -          | 4,683        |  |  |
| 19           | General                    | 1,195,203  | 383,028    | -              | 450,166      | 79,533       | 112,629       | 26,629    | 24,255            | 42,933    | 18,978          | 19,145   | 22,293   | 9,072    | 6,417           | -          | 126          |  |  |
| 20           | Telecontrol - Common       | 236,840    | 107,227    | -              | 126,308      | 2,068        | 1,202         | -         | -                 | -         | -               | -        | -        | -        | -               | -          | 35           |  |  |
| 21           | Telecontrol - Specific     | -          | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 22           | Feasibility Studies        | -          | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | -          | -            |  |  |
| 23           | Software - General         | 170,674    | 54,696     | -              | 64,283       | 11,357       | 16,083        | 3,803     | 3,464             | 6,131     | 2,710           | 2,734    | 3,183    | 1,295    | 916             | -          | 18           |  |  |
| 24           | Software - Cust Acctng     | 126,395    | -          | -              | -            | -            | -             | -         | -                 | -         | -               | -        | -        | -        | -               | 126,395    | -            |  |  |
| 25           | Total Net Book Value       | 46,231,341 | 14,806,627 | -              | 17,402,250   | 3,054,287    | 4,323,534     | 1,021,947 | 930,816           | 1,647,621 | 728,309         | 734,741  | 855,545  | 348,138  | 246,268         | 126,395    | 4,862        |  |  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Functional Classification of Operating & Maintenance Expense**

| Line No.                | 1                                                        | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-------------------------|----------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                         | Description                                              | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>       |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                       | Gas Turbine / Diesel                                     | 54,759            | 54,759                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                       | <b>Subtotal Production</b>                               | <b>54,759</b>     | <b>54,759</b>          | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b>     |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                       | Transmission Lines                                       | 345,682           | -                      | -                                       | 336,141                  | -                       | 9,541.00                  | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                       | Terminal Stations                                        | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                       | <b>Subtotal Transmission</b>                             | <b>345,682</b>    | -                      | -                                       | <b>336,141</b>           | -                       | <b>9,541</b>              | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Distribution</b>     |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                       | Other                                                    | 996,265           | -                      | -                                       | -                        | 83,859                  | 527,734                   | 121,501        | 25,791                        | 45,653         | 66,876                      | 73,357         | 42,258                 | -                    | 9,236                         | -                        | -                                   |
| 7                       | Meters                                                   | 85,218            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 85,218               | -                             | -                        | -                                   |
| 8                       | <b>Subtotal Distribution</b>                             | <b>1,081,484</b>  | -                      | -                                       | -                        | <b>83,859</b>           | <b>527,734</b>            | <b>121,501</b> | <b>25,791</b>                 | <b>45,653</b>  | <b>66,876</b>               | <b>73,357</b>  | <b>42,258</b>          | <b>85,218</b>        | <b>9,236</b>                  | -                        | -                                   |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>                    | <b>1,481,924</b>  | <b>54,759</b>          | -                                       | <b>336,141</b>           | <b>83,859</b>           | <b>537,275</b>            | <b>121,501</b> | <b>25,791</b>                 | <b>45,653</b>  | <b>66,876</b>               | <b>73,357</b>  | <b>42,258</b>          | <b>85,218</b>        | <b>9,236</b>                  | -                        | -                                   |
| 10                      | Customer Accounting                                      | 541,506           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | 541,506                  | -                                   |
| <b>Overheads</b>        |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| <b>Plant-Related:</b>   |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 11                      | Production                                               | 92,102            | 92,102                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                      | Transmission                                             | 9,694             | -                      | -                                       | 9,352                    | 131                     | 208                       | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 2                                   |
| 13                      | Distribution                                             | 144,270           | 266                    | -                                       | -                        | 35,672                  | 44,554                    | 11,528         | 8,377                         | 14,827         | 7,910                       | 8,070          | 7,333                  | 3,745                | 1,988                         | -                        | -                                   |
| 14                      | Prod, Trans, Distn and General Plt                       | 18,024            | 6,328                  | -                                       | 4,965                    | 1,692                   | 2,137                     | 524            | 381                           | 674            | 360                         | 367            | 334                    | 170                  | 90                            | -                        | 1                                   |
| 15                      | Telecontrol Plant                                        | 83,302            | 45,908                 | -                                       | 36,085                   | 507                     | 803                       | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 16                      | Generation, Transmission, Distribution and General Plant | 539,496           | 190,865                | -                                       | 149,745                  | 49,802                  | 62,909                    | 15,415         | 11,201                        | 19,826         | 10,577                      | 10,791         | 9,806                  | 5,007                | 2,658                         | 859                      | 36                                  |
| <b>Expense Related:</b> |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 17                      | Property Insurance                                       | 44,768            | 29,624                 | -                                       | 6,314                    | 7,729                   | 472                       | 113            | 82                            | 145            | 77                          | 79             | 72                     | 37                   | 19                            | -                        | 6                                   |
| 18                      | Municipal Tax                                            | 268,849           | -                      | -                                       | -                        | 20,847                  | 131,191                   | 30,204         | 6,412                         | 11,349         | 16,625                      | 18,236         | 10,505                 | 21,185               | 2,296                         | -                        | -                                   |
| 19                      | Other Expense Related                                    | 1,043,350         | 28,235                 | -                                       | 173,326                  | 43,241                  | 277,037                   | 62,650         | 13,299                        | 23,540         | 34,483                      | 37,825         | 21,790                 | 43,942               | 4,762                         | 279,219                  | -                                   |
| 20                      | <b>Subtotal Overheads</b>                                | <b>2,243,856</b>  | <b>393,329</b>         | -                                       | <b>379,786</b>           | <b>159,620</b>          | <b>519,311</b>            | <b>120,435</b> | <b>39,750</b>                 | <b>70,362</b>  | <b>70,032</b>               | <b>75,367</b>  | <b>49,839</b>          | <b>74,085</b>        | <b>11,815</b>                 | <b>280,078</b>           | <b>45</b>                           |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b>        | <b>4,267,286</b>  | <b>448,087</b>         | -                                       | <b>715,926</b>           | <b>243,480</b>          | <b>1,056,586</b>          | <b>241,937</b> | <b>65,542</b>                 | <b>116,014</b> | <b>136,908</b>              | <b>148,724</b> | <b>92,098</b>          | <b>159,304</b>       | <b>21,050</b>                 | <b>821,585</b>           | <b>45</b>                           |

NEWFOUNDLAND & LABRADOR HYDRO  
 2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
 Labrador Interconnected  
 Functional Classification of Operating & Maintenance Expense - Documentation

| Line No. | 1<br>Description                                         | 2<br>Basis of Functional Classification                                                               |
|----------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                        |                                                                                                       |
| 1        | Gas Turbine / Diesel                                     | Production - Demand, Energy ratios Sch.4.1 L.9                                                        |
| 2        | <b>Subtotal Production</b>                               |                                                                                                       |
|          | <b>Transmission</b>                                      |                                                                                                       |
| 3        | Transmission Lines                                       | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4                                         |
| 4        | Terminal Stations                                        | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5                             |
| 5        | <b>Subtotal Transmission</b>                             |                                                                                                       |
|          | <b>Distribution</b>                                      |                                                                                                       |
| 6        | Other                                                    | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                                   | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                             |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>                    |                                                                                                       |
| 10       | Customer Accounting                                      | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                         |                                                                                                       |
|          | Plant-Related:                                           |                                                                                                       |
| 11       | Production                                               | Prorated on Production Plant in Service - Sch.2.2 L.3                                                 |
| 12       | Transmission                                             | Prorated on Transmission Plant in Service - Sch.2.2 L. 6                                              |
| 13       | Distribution                                             | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 14       | Prod, Trans, Distn and General Plt                       | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18                   |
| 15       | Telecontrol Plant                                        | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18                   |
| 16       | Generation, Transmission, Distribution and General Plant | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.25          |
|          | Expense Related:                                         |                                                                                                       |
| 17       | Property Insurance                                       | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 21 |
| 18       | Municipal Tax                                            | Prorated on Distribution Expenses, L. 8                                                               |
| 19       | Other Expense Related                                    | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 9, 10            |
| 20       | <b>Subtotal Overheads</b>                                |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b>        |                                                                                                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**

**Functional Classification of Depreciation Expense**

|              |                            | 1         | 2          | 3            | 4              | 5           | Functional Classification of Depreciation Expense |          |                   |          |                 |          |          |          |                 |            |              | 16 | 17 |
|--------------|----------------------------|-----------|------------|--------------|----------------|-------------|---------------------------------------------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|--------------|----|----|
|              |                            |           |            |              | Production and |             | Distribution                                      |          |                   |          |                 |          |          |          |                 |            |              |    |    |
| Line         |                            | Total     | Production | Transmission | Transmission   | Substations | Primary Lines                                     |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Specifically |    |    |
| No.          | Description                | Amount    | Demand     | Energy       | Demand         | Demand      | Demand                                            | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Assigned     |    |    |
|              |                            | (\$)      | (\$)       | (\$)         | (\$)           | (\$)        | (\$)                                              | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | Customer     |    |    |
| Production   |                            |           |            |              |                |             |                                                   |          |                   |          |                 |          |          |          |                 |            |              |    |    |
| 1            | Gas Turbines               | 898,873   | 898,873    | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 2            | Diesel                     | 66,624    | 66,624     | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 3            | Subtotal Production        | 965,497   | 965,497    | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| Transmission |                            |           |            |              |                |             |                                                   |          |                   |          |                 |          |          |          |                 |            |              |    |    |
| 4            | Lines                      | 342,778   | -          | -            | 327,825        | -           | 14,953                                            | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 5            | Terminal Stations          | 92,001    | -          | -            | 89,965         | 1,963       | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 6            | Subtotal Transmission      | 434,780   | -          | -            | 417,790        | 1,963       | 14,953                                            | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 73           |    |    |
| Distribution |                            |           |            |              |                |             |                                                   |          |                   |          |                 |          |          |          |                 |            |              |    |    |
| 7            | Substations                | 126,527   | 1,660      | -            | -              | 124,868     | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 8            | Land & Land Improvements   | 6,581     | -          | -            | -              | -           | 4,962                                             | 632      | -                 | -        | 576             | 412      | -        | -        | -               | -          | -            |    |    |
| 9            | Poles                      | 196,844   | -          | -            | -              | -           | 113,844                                           | 38,907   | -                 | -        | 20,151          | 23,943   | -        | -        | -               | -          | -            |    |    |
| 10           | Primary Conductor & Eqpt   | 46,689    | -          | -            | -              | -           | 41,413                                            | 5,276    | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 11           | Submarine Conductor        | 15,886    | -          | -            | -              | -           | 15,886                                            | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 12           | Transformers               | 119,072   | -          | -            | -              | -           | -                                                 | -        | 42,985            | 76,087   | -               | -        | -        | -        | -               | -          | -            |    |    |
| 13           | Secondary Conductor&Eqpt   | 21,086    | -          | -            | -              | -           | -                                                 | -        | -                 | -        | 12,293          | 8,793    | -        | -        | -               | -          | -            |    |    |
| 14           | Services                   | 36,696    | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | 36,696   | -        | -               | -          | -            |    |    |
| 15           | Meters                     | 16,965    | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | 16,965   | -               | -          | -            |    |    |
| 16           | Street Lighting            | 10,925    | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | 10,925          | -          | -            |    |    |
| 17           | Subtotal Distribution      | 597,272   | 1,660      | -            | -              | 124,868     | 176,105                                           | 44,815   | 42,985            | 76,087   | 33,019          | 33,147   | 36,696   | 16,965   | 10,925          | -          | -            |    |    |
| 18           | Subttl Prod, Trans, & Dist | 1,997,549 | 967,157    | -            | 417,790        | 126,830     | 191,058                                           | 44,815   | 42,985            | 76,087   | 33,019          | 33,147   | 36,696   | 16,965   | 10,925          | -          | 73           |    |    |
| 19           | General                    | 193,908   | 93,885     | -            | 40,556         | 12,312      | 18,547                                            | 4,350    | 4,173             | 7,386    | 3,205           | 3,218    | 3,562    | 1,647    | 1,061           | -          | 7            |    |    |
| 20           | Telecontrol - Common       | 62,860    | 43,344     | -            | 18,756         | 88          | 671                                               | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 21           | Telecontrol - Specific     | -         | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 22           | Feasibility Studies        | -         | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |    |    |
| 23           | Software - General         | 201,259   | 97,444     | -            | 42,094         | 12,779      | 19,250                                            | 4,515    | 4,331             | 7,666    | 3,327           | 3,340    | 3,697    | 1,709    | 1,101           | -          | 7            |    |    |
| 24           | Software - Cust Acctng     | 84,264    | -          | -            | -              | -           | -                                                 | -        | -                 | -        | -               | -        | -        | -        | -               | 84,264     | -            |    |    |
| 25           | Total Depreciation Expense | 2,539,839 | 1,201,830  | -            | 519,196        | 152,009     | 229,526                                           | 53,680   | 51,489            | 91,139   | 39,551          | 39,704   | 43,956   | 20,321   | 13,086          | 84,264     | 88           |    |    |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Functional Classification of Rate Base**

|          | 1                                                               | 2                 | 3                      | 4                                       | 5                        | 7                       | 8             | 9           | 10                | 11          | 12              | 13          | 14                     | 15                   | 16                            | 17            | 18                       |                                     |
|----------|-----------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|-------------|-------------------|-------------|-----------------|-------------|------------------------|----------------------|-------------------------------|---------------|--------------------------|-------------------------------------|
| Line No. | Description                                                     | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |             |                   |             |                 |             |                        |                      |                               |               | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          |                                                                 |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |             | Line Transformers |             | Secondary Lines |             | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |               |                          |                                     |
|          |                                                                 |                   |                        |                                         |                          |                         | Demand (\$)   | Demand (\$) | Customer (\$)     | Demand (\$) | Customer (\$)   | Demand (\$) |                        |                      |                               | Customer (\$) |                          |                                     |
| 1        | Average Net Book Value                                          | 46,231,341        | 14,806,627             | -                                       | 17,402,250               | 3,054,287               | 4,323,534     | 1,021,947   | 930,816           | 1,647,621   | 728,309         | 734,741     | 855,545                | 348,138              | 246,268                       | 126,395       | 4,862                    |                                     |
| 2        | Cash Working Capital                                            | 110,053           | 35,247                 | -                                       | 41,426                   | 7,271                   | 10,292        | 2,433       | 2,216             | 3,922       | 1,734           | 1,749       | 2,037                  | 829                  | 586                           | 301           | 12                       |                                     |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -             | -                        |                                     |
| 4        | Fuel Inventory - Diesel                                         | 24,672            | 24,672                 | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -             | -                        |                                     |
| 5        | Fuel Inventory - Gas Turbine                                    | 97,916            | 97,916                 | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -             | -                        |                                     |
| 6        | Inventory/Supplies                                              | 966,121           | 341,797                | -                                       | 268,160                  | 89,184                  | 112,656       | 27,605      | 20,058            | 35,505      | 18,941          | 19,324      | 17,560                 | 8,967                | 4,760                         | 1,539         | 65                       |                                     |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 3,205,925         | 1,026,770              | -                                       | 1,206,764                | 211,800                 | 299,817       | 70,867      | 64,548            | 114,255     | 50,505          | 50,951      | 59,328                 | 24,142               | 17,078                        | 8,765         | 337                      |                                     |
| 8        | Total Rate Base                                                 | 50,636,028        | 16,333,029             | -                                       | 18,918,599               | 3,362,542               | 4,746,299     | 1,122,853   | 1,017,637         | 1,801,302   | 799,488         | 806,764     | 934,469                | 382,076              | 268,692                       | 137,000       | 5,276                    |                                     |
| 9        | Less: Rural Portion                                             | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -             | -                        |                                     |
| 10       | Rate Base Available for Equity Return                           | 50,636,028        | 16,333,029             | -                                       | 18,918,599               | 3,362,542               | 4,746,299     | 1,122,853   | 1,017,637         | 1,801,302   | 799,488         | 806,764     | 934,469                | 382,076              | 268,692                       | 137,000       | 5,276                    |                                     |
| 11       | Return on Debt                                                  | 3,365,013         | 1,085,410              | -                                       | 1,257,234                | 223,457                 | 315,415       | 74,619      | 67,627            | 119,705     | 53,130          | 53,613      | 62,100                 | 25,391               | 17,856                        | 9,104         | 351                      |                                     |
| 12       | Return on Equity                                                | 259,003           | 83,543                 | -                                       | 96,769                   | 17,199                  | 24,277        | 5,743       | 5,205             | 9,214       | 4,089           | 4,127       | 4,780                  | 1,954                | 1,374                         | 701           | 27                       |                                     |
| 13       | Return on Rate Base                                             | 3,624,016         | 1,168,953              | -                                       | 1,354,002                | 240,657                 | 339,692       | 80,362      | 72,832            | 128,919     | 57,219          | 57,740      | 66,880                 | 27,345               | 19,230                        | 9,805         | 378                      |                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
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 Labrador Interconnected  
 Functional Classification of Rate Base - Documentation

| Line<br>No. | Description                                | Basis of Functional Classification                  |
|-------------|--------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                     | Sch. 2.3 , L. 25                                    |
| 2           | Cash Working Capital                       | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                |                                                     |
| 4           | Fuel Inventory - Diesel                    | Production - Demand                                 |
| 5           | Fuel Inventory - Gas Turbine               | Production - Demand                                 |
| 6           | Inventory/Supplies                         | Prorated on Total Plant in Service, Sch. 2.2, L. 25 |
|             | Deferred Charges:                          |                                                     |
| 7           | Foreign Exchange Loss and Regulatory Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                            |                                                     |
| 9           | Less: Rural Portion                        |                                                     |
| 10          | Rate Base Available for Equity Return      |                                                     |
| 11          | Return on Debt                             | L.8 x Sch.1.2,p2,L.13                               |
| 12          | Return on Equity                           | L.10 x Sch.1.2,p2,L.16                              |
| 13          | Return on Rate Base                        |                                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Interconnected  
Basis of Allocation to Classes of Service

|          | 1                             | 2            | 3                         | 4                               | 5                           | 6                          | 7              | 8                     | 9                 | 10                    | 11              | 12                    | 13                        | 14                    | 15                    | 16                    | 17     |                                |
|----------|-------------------------------|--------------|---------------------------|---------------------------------|-----------------------------|----------------------------|----------------|-----------------------|-------------------|-----------------------|-----------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|--------|--------------------------------|
| Line No. | Description                   | Total Amount | Production and            |                                 |                             | Distribution               |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        | Specifically Assigned Customer |
|          |                               |              | Production Demand (CP kW) | Transmission Energy (MWh @ Gen) | Transmission Demand (CP kW) | Substations Demand (CP kW) | Primary Lines  |                       | Line Transformers |                       | Secondary Lines |                       | Services                  | Meters                | Street Lighting       | Accounting            |        |                                |
|          |                               |              |                           |                                 |                             |                            | Demand (CP kW) | Customer (Rural Cust) | Demand (CP kW)    | Customer (Rural Cust) | Demand (CP kW)  | Customer (Rural Cust) | Customer (Wld Rural Cust) | Customer (Rural Cust) | Customer (Rural Cust) | Customer (Rural Cust) |        |                                |
|          | Amounts                       |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 1        | CFB - Goose Bay Secondary     | -            | -                         | 105,435                         | -                           | -                          | -              | 1                     | -                 | 1                     | -               | 1                     | -                         | -                     | -                     | 1                     | 1      |                                |
| 2        | IOCC Firm                     | -            | 70,232                    | 310,093                         | 62,000                      | -                          | -              | -                     | -                 | -                     | -               | -                     | -                         | -                     | -                     | -                     | -      |                                |
| 3        | IOCC Non-Firm                 | -            | -                         | 7,432                           | -                           | -                          | -              | -                     | -                 | -                     | -               | -                     | -                         | -                     | -                     | -                     | -      |                                |
|          | Rural                         |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 4        | 1.1Domestic                   | -            | 2,165                     | 8,862                           | 1,925                       | 1,904                      | 1,856          | 696                   | 1,831             | 696                   | 1,806           | 696                   | 696                       | 696                   | -                     | 696                   | -      |                                |
| 5        | 1.1A Domestic All Electric    | -            | 87,231                    | 304,486                         | 77,568                      | 76,723                     | 74,875         | 6,959                 | 73,861            | 6,959                 | 72,878          | 6,959                 | 6,959                     | 6,959                 | -                     | 6,959                 | -      |                                |
| 6        | 2.1GS 0-10 kW                 | -            | 1,830                     | 7,794                           | 1,630                       | 1,611                      | 1,570          | 474                   | 1,548             | 474                   | 1,526           | 474                   | 949                       | 949                   | -                     | 474                   | -      |                                |
| 7        | 2.2GS 10-100 kW               | -            | 9,552                     | 71,573                          | 8,510                       | 8,407                      | 8,190          | 560                   | 8,076             | 560                   | 7,960           | 560                   | 4,523                     | 4,523                 | -                     | 560                   | -      |                                |
| 8        | 2.3GS 110-1,000 kVa           | -            | 11,026                    | 109,352                         | 9,813                       | 9,701                      | 9,457          | 98                    | 9,328             | 98                    | 9,198           | 98                    | 841                       | 841                   | -                     | 98                    | -      |                                |
| 9        | 2.4GS Over 1,000 kVa          | -            | 6,966                     | 48,366                          | 6,261                       | 6,152                      | -              | 1                     | -                 | 1                     | -               | 1                     | 9                         | 9                     | -                     | 1                     | -      |                                |
| 10       | 4.1Street and Area Lighting   | -            | 409                       | 1,708                           | 364                         | 360                        | 351            | 226                   | 346               | 226                   | 341             | 226                   | -                         | -                     | 1                     | 226                   | -      |                                |
| 11       | Subtotal Rural                |              | 119,179                   | 552,140                         | 106,071                     | 104,858                    | 96,298         | 9,015                 | 94,990            | 9,015                 | 93,708          | 9,015                 | 13,977                    | 13,977                | 1                     | 9,015                 | -      |                                |
| 12       | Total Labrador Interconnected |              | 189,411                   | 975,100                         | 168,071                     | 104,858                    | 96,298         | 9,016                 | 94,990            | 9,016                 | 93,708          | 9,016                 | 13,977                    | 13,977                | 1                     | 9,016                 | 1      |                                |
|          | Ratios                        |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 13       | CFB - Goose Bay Boiler        | -            | -                         | 0.1081                          | -                           | -                          | -              | 0.0001                | -                 | 0.0001                | -               | 0.0001                | -                         | -                     | -                     | 0.0001                | 1.0000 |                                |
| 14       | IOCC Firm                     | -            | 0.3708                    | 0.3180                          | 0.3689                      | -                          | -              | -                     | -                 | -                     | -               | -                     | -                         | -                     | -                     | -                     | -      |                                |
| 15       | IOCC Non-Firm                 | -            | -                         | 0.0076                          | -                           | -                          | -              | -                     | -                 | -                     | -               | -                     | -                         | -                     | -                     | -                     | -      |                                |
|          | Rural                         |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 16       | 1.1Domestic                   | -            | 0.0114                    | 0.0091                          | 0.0115                      | 0.0182                     | 0.0193         | 0.0772                | 0.0193            | 0.0772                | 0.0193          | 0.0772                | 0.0498                    | 0.0498                | -                     | 0.0772                | -      |                                |
| 17       | 1.1A Domestic All Electric    | -            | 0.4605                    | 0.3123                          | 0.4615                      | 0.7317                     | 0.7775         | 0.7719                | 0.7776            | 0.7719                | 0.7777          | 0.7719                | 0.4979                    | 0.4979                | -                     | 0.7719                | -      |                                |
| 18       | 2.1GS 0-10 kW                 | -            | 0.0097                    | 0.0080                          | 0.0097                      | 0.0154                     | 0.0163         | 0.0526                | 0.0163            | 0.0526                | 0.0163          | 0.0526                | 0.0679                    | 0.0679                | -                     | 0.0526                | -      |                                |
| 19       | 2.2GS 10-100 kW               | -            | 0.0504                    | 0.0734                          | 0.0506                      | 0.0802                     | 0.0850         | 0.0622                | 0.0850            | 0.0622                | 0.0849          | 0.0622                | 0.3236                    | 0.3236                | -                     | 0.0622                | -      |                                |
| 20       | 2.3GS 110-1,000 kVa           | -            | 0.0582                    | 0.1121                          | 0.0584                      | 0.0925                     | 0.0982         | 0.0109                | 0.0982            | 0.0109                | 0.0982          | 0.0109                | 0.0602                    | 0.0602                | -                     | 0.0109                | -      |                                |
| 21       | 2.4GS Over 1,000 kVa          | -            | 0.0368                    | 0.0496                          | 0.0372                      | 0.0587                     | -              | 0.0001                | -                 | 0.0001                | -               | 0.0001                | 0.0006                    | 0.0006                | -                     | 0.0001                | -      |                                |
| 22       | 4.1Street and Area Lighting   | -            | 0.0022                    | 0.0018                          | 0.0022                      | 0.0034                     | 0.0036         | 0.0251                | 0.0036            | 0.0251                | 0.0036          | 0.0251                | -                         | -                     | 1.0000                | 0.0251                | -      |                                |
| 23       | Subtotal Rural                |              | 0.6292                    | 0.5662                          | 0.6311                      | 1.0000                     | 1.0000         | 0.9999                | 1.0000            | 0.9999                | 1.0000          | 0.9999                | 1.0000                    | 1.0000                | 1.0000                | 0.9999                | -      |                                |
| 24       | Total Labrador Interconnected |              | 1.0000                    | 1.0000                          | 1.0000                      | 1.0000                     | 1.0000         | 1.0000                | 1.0000            | 1.0000                | 1.0000          | 1.0000                | 1.0000                    | 1.0000                | 1.0000                | 1.0000                | 1.0000 |                                |
|          | Ratios Excluding IOCC         |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 25       | CFB - Goose Bay Boiler        | -            | -                         | 0.1603                          | -                           | -                          | -              | 0.0001                | -                 | 0.0001                | -               | 0.0001                | -                         | -                     | -                     | 0.0001                | 1.0000 |                                |
|          | Rural                         |              |                           |                                 |                             |                            |                |                       |                   |                       |                 |                       |                           |                       |                       |                       |        |                                |
| 26       | 1.1Domestic                   | -            | 0.0182                    | 0.0135                          | 0.0182                      | 0.0182                     | 0.0193         | 0.0772                | 0.0193            | 0.0772                | 0.0193          | 0.0772                | 0.0498                    | 0.0498                | -                     | 0.0772                | -      |                                |
| 27       | 1.1A Domestic All Electric    | -            | 0.7319                    | 0.4630                          | 0.7313                      | 0.7317                     | 0.7775         | 0.7719                | 0.7776            | 0.7719                | 0.7777          | 0.7719                | 0.4979                    | 0.4979                | -                     | 0.7719                | -      |                                |
| 28       | 2.1GS 0-10 kW                 | -            | 0.0154                    | 0.0119                          | 0.0154                      | 0.0154                     | 0.0163         | 0.0526                | 0.0163            | 0.0526                | 0.0163          | 0.0526                | 0.0679                    | 0.0679                | -                     | 0.0526                | -      |                                |
| 29       | 2.2GS 10-100 kW               | -            | 0.0801                    | 0.1088                          | 0.0802                      | 0.0802                     | 0.0850         | 0.0622                | 0.0850            | 0.0622                | 0.0849          | 0.0622                | 0.3236                    | 0.3236                | -                     | 0.0622                | -      |                                |
| 30       | 2.3GS 110-1,000 kVa           | -            | 0.0925                    | 0.1663                          | 0.0925                      | 0.0925                     | 0.0982         | 0.0109                | 0.0982            | 0.0109                | 0.0982          | 0.0109                | 0.0602                    | 0.0602                | -                     | 0.0109                | -      |                                |
| 31       | 2.4GS Over 1,000 kVa          | -            | 0.0584                    | 0.0736                          | 0.0590                      | 0.0587                     | -              | 0.0001                | -                 | 0.0001                | -               | 0.0001                | 0.0006                    | 0.0006                | -                     | 0.0001                | -      |                                |
| 32       | 4.1Street and Area Lighting   | -            | 0.0034                    | 0.0026                          | 0.0034                      | 0.0034                     | 0.0036         | 0.0251                | 0.0036            | 0.0251                | 0.0036          | 0.0251                | -                         | -                     | 1.0000                | 0.0251                | -      |                                |
| 33       | Subtotal Rural                |              | 1.0000                    | 0.8397                          | 1.0000                      | 1.0000                     | 1.0000         | 0.9999                | 1.0000            | 0.9999                | 1.0000          | 0.9999                | 1.0000                    | 1.0000                | 1.0000                | 0.9999                | -      |                                |
| 34       | Total Labrador Interconnected |              | 1.0000                    | 1.0000                          | 1.0000                      | 1.0000                     | 1.0000         | 1.0000                | 1.0000            | 1.0000                | 1.0000          | 1.0000                | 1.0000                    | 1.0000                | 1.0000                | 1.0000                | 1.0000 |                                |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service

|  | 1 | 2 | 3 | 4              | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|---|---|---|---|---|----|----|----|----|----|----|----|----|
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Labrador Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|                                     | 1                           | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8           | 9                 | 10          | 11              | 12          | 13            | 14            | 15              | 16            | 17                                  |
|-------------------------------------|-----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|-------------|-------------------|-------------|-----------------|-------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.                            | Description                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |             |                   |             |                 |             |               |               |                 |               | Specifically Assigned Customer (\$) |
|                                     |                             |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |             | Line Transformers |             | Secondary Lines |             | Services      | Motors        | Street Lighting | Accounting    |                                     |
|                                     |                             |                   |                        |                                         |                          |                         | Demand (\$)   | Demand (\$) | Customer (\$)     | Demand (\$) | Customer (\$)   | Demand (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Allocated Return on Equity          |                             |                   |                        |                                         |                          |                         |               |             |                   |             |                 |             |               |               |                 |               |                                     |
| 23                                  | CFB - Goose Bay Boiler      | 29                | -                      | -                                       | -                        | -                       | -             | 1           | -                 | 1           | -               | 0           | -             | -             | -               | 0             | 27                                  |
| 24                                  | IOCC Firm                   | 66,674            | 30,977                 | -                                       | 35,697                   | -                       | -             | -           | -                 | -           | -               | -           | -             | -             | -               | -             | -                                   |
| 25                                  | IOCC Non-Firm               | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -             | -             | -               | -             | -                                   |
| 26                                  | 1.1Domestic                 | 4,886             | 955                    | -                                       | 1,109                    | 312                     | 468           | 443         | 100               | 711         | 79              | 319         | 238           | 97            | -               | 54            | -                                   |
| 27                                  | 1.1A Domestic All Electric  | 140,448           | 38,475                 | -                                       | 44,660                   | 12,585                  | 18,876        | 4,433       | 4,047             | 7,112       | 3,180           | 3,185       | 2,380         | 973           | -               | 541           | -                                   |
| 28                                  | 2.1GS 0-10 kW               | 4,056             | 807                    | -                                       | 939                      | 264                     | 396           | 302         | 85                | 485         | 67              | 217         | 325           | 133           | -               | 37            | -                                   |
| 29                                  | 2.2GS 10-100 kW             | 16,755            | 4,213                  | -                                       | 4,900                    | 1,379                   | 2,065         | 357         | 443               | 573         | 347             | 256         | 1,547         | 632           | -               | 44            | -                                   |
| 30                                  | 2.3GS 110-1,000 kVa         | 16,022            | 4,863                  | -                                       | 5,650                    | 1,591                   | 2,384         | 63          | 511               | 100         | 401             | 45          | 288           | 118           | -               | 8             | -                                   |
| 31                                  | 2.4GS Over 1,000 kVa        | 7,692             | 3,072                  | -                                       | 3,605                    | 1,009                   | -             | 1           | -                 | 1           | -               | 0           | 3             | 1             | -               | 0             | -                                   |
| 32                                  | 4.1Street and Area Lighting | 2,441             | 180                    | -                                       | 210                      | 59                      | 88            | 144         | 19                | 231         | 15              | 103         | -             | -             | 1,374           | 18            | -                                   |
| 33                                  | Total                       | 259,003           | 83,543                 | -                                       | 96,769                   | 17,199                  | 24,277        | 5,743       | 5,205             | 9,214       | 4,089           | 4,127       | 4,780         | 1,954         | 1,374           | 701           | 27                                  |
| Total Allocated Revenue Requirement |                             |                   |                        |                                         |                          |                         |               |             |                   |             |                 |             |               |               |                 |               |                                     |
| 34                                  | CFB - Goose Bay Boiler      | 164,847           | -                      | 164,135                                 | -                        | -                       | -             | 43          | -                 | 37          | -               | 28          | -             | -             | -               | 99            | 506                                 |
| 35                                  | IOCC Firm                   | 2,902,161         | 1,471,771              | 482,734                                 | 947,655                  | -                       | -             | -           | -                 | -           | -               | -           | -             | -             | -               | -             | -                                   |
| 36                                  | IOCC Non-Firm               | 11,570            | -                      | 11,570                                  | -                        | -                       | -             | -           | -                 | -           | -               | -           | -             | -             | -               | -             | -                                   |
| 37                                  | 1.1Domestic                 | 306,228           | 45,377                 | 13,796                                  | 29,428                   | 13,629                  | 31,842        | 29,803      | 3,634             | 25,763      | 4,598           | 19,474      | 10,036        | 10,243        | -               | 68,603        | -                                   |
| 38                                  | 1.1A Domestic All Electric  | 7,292,313         | 1,828,007              | 474,006                                 | 1,185,602                | 549,070                 | 1,284,444     | 297,990     | 146,602           | 257,591     | 185,588         | 194,716     | 100,350       | 102,411       | -               | 685,934       | -                                   |
| 39                                  | 2.1GS 0-10 kW               | 246,390           | 38,353                 | 12,133                                  | 24,922                   | 11,528                  | 26,926        | 20,317      | 3,072             | 17,563      | 3,885           | 13,276      | 13,684        | 13,965        | -               | 46,767        | -                                   |
| 40                                  | 2.2GS 10-100 kW             | 926,045           | 200,167                | 111,420                                 | 130,070                  | 60,165                  | 140,491       | 23,995      | 16,030            | 20,742      | 20,269          | 15,679      | 65,221        | 66,561        | -               | 55,234        | -                                   |
| 41                                  | 2.3GS 110-1,000 kVa         | 869,656           | 231,061                | 170,233                                 | 149,983                  | 69,423                  | 162,239       | 4,204       | 18,515            | 3,634       | 23,424          | 2,747       | 12,134        | 12,383        | -               | 9,677         | -                                   |
| 42                                  | 2.4GS Over 1,000 kVa        | 361,441           | 145,976                | 75,293                                  | 95,691                   | 44,025                  | -             | 43          | -                 | 37          | -               | 28          | 124           | 126           | -               | 99            | -                                   |
| 43                                  | 4.1Street and Area Lighting | 126,575           | 8,561                  | 2,659                                   | 5,567                    | 2,574                   | 6,014         | 9,678       | 686               | 8,366       | 868             | 6,324       | -             | -             | 53,004          | 22,276        | -                                   |
| 44                                  | Total                       | 13,207,226        | 3,969,273              | 1,517,979                               | 2,568,917                | 750,414                 | 1,651,956     | 386,073     | 188,540           | 333,732     | 238,632         | 252,272     | 201,550       | 205,689       | 53,004          | 888,689       | 506                                 |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Functionalization & Classification Ratios

| Line No. | 1                                         | 2                | 3                     | 4                                    | 5                       | 6                                    | 7                      | 8                        | 9                          | 10                           | 11                             | 12                         | 13                           | 14                    | 15                  | 16                           | 17                      | 18                                 |
|----------|-------------------------------------------|------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------------|------------------------|--------------------------|----------------------------|------------------------------|--------------------------------|----------------------------|------------------------------|-----------------------|---------------------|------------------------------|-------------------------|------------------------------------|
|          | Description                               | Total Amount (%) | Production Demand (%) | Production & Transmission Energy (%) | Transmission Demand (%) | Rural Prod & Transmission Demand (%) | Substations Demand (%) | Primary Lines Demand (%) | Primary Lines Customer (%) | Line Transformers Demand (%) | Line Transformers Customer (%) | Secondary Lines Demand (%) | Secondary Lines Customer (%) | Services Customer (%) | Meters Customer (%) | Street Lighting Customer (%) | Accounting Customer (%) | Specifically Assigned Customer (%) |
|          | <b>Generation</b>                         |                  |                       |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 1        | Hydraulic                                 | 100%             | 39.22%                | 60.78%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 2        | Hydraulic - GNP                           | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 3        | Holyrood                                  | 100%             | 66.37%                | 33.63%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 4        | Gas Tur Island Intercnctd                 | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 5        | Diesel Island Intercnctd - GNP            | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 6        | Dsl / Gas Tur Island Isolated             | 100%             | 65.34%                | 34.66%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 7        | Dsl / Gas Tur Labrador Isolated           | 100%             | 55.98%                | 44.02%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 8        | Dsl / Gas Tur L'Anse au Loup              | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 9        | Dsl / Gas Tur Labrador Intercnctd         | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
|          | <b>Fuel</b>                               |                  |                       |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 10       | No. 6 Fuel                                | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 11       | Gas Tur Island Intercnctd                 | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 12       | Diesel Island Intercnctd - GNP            | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 13       | Dsl / Gas Tur Island / Lab Isolated       | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 14       | Dsl / Gas Tur L'Anse au Loup              | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 15       | Dsl / Gas Tur Labrador Intercnctd         | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
|          | <b>Transmission Lines &amp; Terminals</b> |                  |                       |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 16       | Lines                                     | 100%             |                       | 0.00%                                | 100%                    |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 17       | Lines - Hydraulic                         | 100%             | 39.22%                | 60.78%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 18       | Lines - Customer Specific                 | 100%             |                       |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 19       | Terminal Stations                         | 100%             |                       | 0.00%                                | 100%                    |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 20       | Term Stns - Hydraulic                     | 100%             | 39.22%                | 60.78%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 21       | Term Stns - Holyrood                      | 100%             | 66.37%                | 33.63%                               |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 22       | Term Stns - Gas Tur                       | 100%             | 100%                  |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 23       | Term Stns - Diesel GNP                    | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 24       | Terminal Stations - Distribution          | 100%             |                       |                                      |                         |                                      | 100%                   |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 25       | Term Stns - Custmr Specific               | 100%             |                       |                                      |                         |                                      |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 26       | Rural Lines                               | 100%             |                       |                                      |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         | 100%                               |
| 27       | Rural Terminal Stations                   | 100%             |                       |                                      |                         | 100.0%                               |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)  
Functionalization & Classification Ratios

| Line No. | 1                                           | 2                | 3                     | 4                                    | 5                       | 6                                    | 7            | 8             | 9            | 10                | 11           | 12              | 13           | 14           | 15           | 16              | 17           | 18                    |
|----------|---------------------------------------------|------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------------|--------------|---------------|--------------|-------------------|--------------|-----------------|--------------|--------------|--------------|-----------------|--------------|-----------------------|
|          | Description                                 | Total Amount (%) | Production Demand (%) | Production & Transmission Energy (%) | Transmission Demand (%) | Rural Prod & Transmission Demand (%) | Distribution |               |              |                   |              |                 |              |              |              |                 |              |                       |
|          |                                             |                  |                       |                                      |                         |                                      | Substations  | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services     | Meters       | Street Lighting | Accounting   | Specifically Assigned |
|          |                                             |                  |                       |                                      |                         |                                      | Demand (%)   | Demand (%)    | Customer (%) | Demand (%)        | Customer (%) | Demand (%)      | Customer (%) | Customer (%) | Customer (%) | Customer (%)    | Customer (%) | Customer (%)          |
|          | Distribution                                |                  |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              |              |                 |              |                       |
| 28       | Substation Structures & Equipment           |                  |                       |                                      |                         |                                      | 100%         |               |              |                   |              |                 |              |              |              |                 |              |                       |
| 29       | Land & Land Improvements - by Sub-function: |                  |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              |              |                 |              |                       |
| 30       | Primary                                     | 85%              |                       |                                      |                         |                                      |              | 88.7%         | 11.3%        |                   |              |                 |              |              |              |                 |              |                       |
| 31       | Secondary                                   | 15%              |                       |                                      |                         |                                      |              |               |              |                   |              | 58.3%           | 41.7%        |              |              |                 |              |                       |
| 32       | Land & Land Improvements                    | 100%             |                       |                                      |                         |                                      |              | 75.4%         | 9.6%         |                   |              | 8.7%            | 6.3%         |              |              |                 |              |                       |
| 33       | Poles - by Subfunction:                     |                  |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              |              |                 |              |                       |
| 34       | 3 phase - Primary                           | 41.2%            |                       |                                      |                         |                                      |              | 100.0%        |              |                   |              |                 |              |              |              |                 |              |                       |
| 35       | Other Primary                               | 36.4%            |                       |                                      |                         |                                      |              | 45.7%         | 54.3%        |                   |              |                 |              |              |              |                 |              |                       |
| 36       | Secondary                                   | 22.4%            |                       |                                      |                         |                                      |              |               |              |                   |              | 45.7%           | 54.3%        |              |              |                 |              |                       |
| 37       | Poles                                       | 100%             |                       |                                      |                         |                                      |              | 57.8%         | 19.8%        |                   |              | 10.2%           | 12.2%        |              |              |                 |              |                       |
| 38       | Primary Condctr & Equip                     | 100%             |                       |                                      |                         |                                      |              | 88.7%         | 11.3%        |                   |              |                 |              |              |              |                 |              |                       |
| 39       | Submarine Conductor                         | 100%             |                       |                                      |                         |                                      |              | 100.0%        |              |                   |              |                 |              |              |              |                 |              |                       |
| 40       | Transformers                                | 100%             |                       |                                      |                         |                                      |              |               |              | 36.1%             | 63.9%        |                 |              |              |              |                 |              |                       |
| 41       | Secondary Condctr & Equip                   | 100%             |                       |                                      |                         |                                      |              |               |              |                   |              | 58.3%           | 41.7%        |              |              |                 |              |                       |
| 42       | Services                                    | 100%             |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              | 100.0%       |              |                 |              |                       |
| 43       | Meters                                      | 100%             |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              | 100.0%       |                 |              |                       |
| 44       | Street Lighting                             | 100%             |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              |              | 100.0%          |              |                       |
| 45       | Customer Accounting                         | 100%             |                       |                                      |                         |                                      |              |               |              |                   |              |                 |              |              |              |                 | 100.0%       |                       |
| 46       | Distribution excluding Meters               | 100%             | 0.00%                 |                                      |                         | 1.27%                                | 7.15%        | 52.97%        | 12.20%       | 2.59%             | 4.58%        | 6.71%           | 7.36%        | 4.24%        |              | 0.93%           |              |                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**

**System Load Factor**

| Line<br>No. |                                           | 1 | 2                        | 3                  | 4                    | 5                 | 6                          |
|-------------|-------------------------------------------|---|--------------------------|--------------------|----------------------|-------------------|----------------------------|
|             |                                           |   | Island<br>Interconnected | Island<br>Isolated | Labrador<br>Isolated | L'Anse<br>au Loup | Labrador<br>Interconnected |
| 1           | Sales+Losses for System Load Factor (MWh) |   | 6,483,046                | 11,362             | 37,125               | 13,357            | 975,100                    |
| 2           | Hours in Year                             |   | 8,760                    | 8,760              | 8,760                | 8,760             | 8,760                      |
| 3           | Average Demand (kW)                       |   | 740,074                  | 1,297              | 4,238                | 1,525             | 111,313                    |
| 4           | Coincident Peak at Generation (kW)        |   | 1,217,539                | 3,742              | 9,627                | 3,097             | 189,411                    |
| 5           | System Load Factor                        |   | 60.78%                   | 34.66%             | 44.02%               | 49.23%            | 58.77%                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Holyrood Capacity Factor**

|          | 1              | 2                    | 3                 | 4                    | 5                   |
|----------|----------------|----------------------|-------------------|----------------------|---------------------|
| Line No. | Year           | Net Production (kWh) | Net Capacity (MW) | Net Production Hours | Net Capacity Factor |
| 1        | 1997 Actual    | 1,531,300,920        | 466               | 8,760                | 37.51%              |
| 2        | 1998 Actual    | 1,263,264,060        | 466               | 8,760                | 30.95%              |
| 3        | 1999 Actual    | 919,801,520          | 466               | 8,760                | 22.53%              |
| 4        | 2000 Actual    | 970,283,280          | 466               | 8,784                | 23.70%              |
| 5        | 2001 Forecast  | 2,184,010,000        | 466               | 8,760                | 53.50%              |
| 6        | 5-Year Average | 1,373,731,956        | 466               | 8,765                | 33.63%              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)**  
**Total System**  
**Power Purchases**

|                                 | 1                 | 2                      | 3                                     | 4                        | 5                              | 6                        | 7 |                                                |
|---------------------------------|-------------------|------------------------|---------------------------------------|--------------------------|--------------------------------|--------------------------|---|------------------------------------------------|
| Line No.                        | Total (\$)        | Production Demand (\$) | Production & Transmission Energy (\$) | Transmission Demand (\$) | Rural Transmission Demand (\$) | Distribution Demand (\$) |   | Basis of Functional Classification             |
| <b>Island Interconnected:</b>   |                   |                        |                                       |                          |                                |                          |   |                                                |
| 1 DLP Secondary                 | 13,284            |                        | 13,284                                |                          |                                |                          |   | Production - Energy (Same as RSP Sec Load Var) |
| 2 AP Secondary                  | -                 |                        | -                                     |                          |                                |                          |   | Production - Energy (Secondary)                |
| 3 Wheeling                      | 449,659           |                        |                                       |                          | 449,659                        |                          |   | Rural Transmission                             |
| 4 Interruptible Demand          | 1,298,019         | 1,298,019              | -                                     |                          |                                |                          |   | Production - Demand                            |
| 5 Interruptible Energy          | -                 |                        | -                                     |                          |                                |                          |   | Production - Energy                            |
| 6 Non-utility Generation        | 10,011,682        | 3,926,142              | 6,085,540                             |                          |                                |                          |   | Energy: System Load Factor                     |
| 7 Subtotal                      | <u>11,772,644</u> | <u>5,224,161</u>       | <u>6,098,824</u>                      | -                        | <u>449,659</u>                 | -                        |   |                                                |
| <b>Labrador Interconnected:</b> |                   |                        |                                       |                          |                                |                          |   |                                                |
| 8 CF(L)Co                       | 2,583,013         | 1,065,034              | 1,517,979                             |                          |                                |                          |   | Energy: System Load Factor                     |
| 9 Other                         | 119,100           |                        |                                       |                          |                                | 119,100                  |   |                                                |
| 10 Subtotal                     | <u>2,702,113</u>  | <u>1,065,034</u>       | <u>1,517,979</u>                      | -                        | -                              | <u>119,100</u>           |   |                                                |
| <b>Isolated Systems:</b>        |                   |                        |                                       |                          |                                |                          |   |                                                |
| 11 Mary's Harbour               | -                 |                        | -                                     |                          |                                |                          |   | Production - Energy                            |
| 12 L'Anse au Loup               | 625,131           |                        | 625,131                               |                          |                                |                          |   | Production - Energy                            |
| 13 Subtotal                     | <u>625,131</u>    | -                      | <u>625,131</u>                        | -                        | -                              | -                        |   |                                                |
| 14 Total                        | <u>15,099,888</u> | <u>6,289,195</u>       | <u>8,241,934</u>                      | -                        | <u>449,659</u>                 | <u>119,100</u>           |   |                                                |

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Total System**  
**Revenue Requirement**

|          | 1                                             | 2                 | 3                          | 4                    | 5                      | 6                   | 7                            | 8                       |
|----------|-----------------------------------------------|-------------------|----------------------------|----------------------|------------------------|---------------------|------------------------------|-------------------------|
| Line No. | Description                                   | Total Amount (\$) | Island Interconnected (\$) | Island Isolated (\$) | Labrador Isolated (\$) | L'Anse au Loup (\$) | Labrador Interconnected (\$) | Basis of Proration      |
|          | Revenue Requirement                           |                   |                            |                      |                        |                     |                              |                         |
|          | Expenses                                      |                   |                            |                      |                        |                     |                              |                         |
| 1        | Operating, Maintenance and Admin.             | 91,034,185        | 70,170,832                 | 4,784,944            | 9,525,842              | 842,397             | 5,710,170                    | Detailed Analysis       |
| 2        | Fuels - No. 6                                 | 98,850,378        | 98,850,378                 | -                    | -                      | -                   | -                            | Detailed Analysis       |
| 3        | Fuels - Diesel                                | 7,406,971         | 61,000                     | 1,621,222            | 5,689,928              | 34,317              | 504                          | Detailed Analysis       |
| 4        | Fuels - Gas Turbine                           | 78,716            | 63,154                     | -                    | -                      | -                   | 15,563                       | Detailed Analysis       |
| 5        | Power Purchases - CF(L)Co                     | 2,299,392         | -                          | -                    | -                      | -                   | 2,299,392                    | Labrador Interconnected |
| 6        | Power Purchases - Other                       | 13,301,207        | 12,609,557                 | -                    | 17,911                 | 638,328             | 35,412                       | Detailed Analysis       |
| 7        | Depreciation                                  | 29,978,704        | 25,174,583                 | 703,815              | 1,534,121              | 351,093             | 2,215,093                    | Detailed Analysis       |
|          | Expense Credits:                              |                   |                            |                      |                        |                     |                              |                         |
| 8        | Sundry                                        | (538,403)         | (415,011)                  | (28,300)             | (56,339)               | (4,982)             | (33,772)                     | Total O&M Expenses      |
| 9        | Building Rental Income                        | (20,761)          | (5,362)                    | -                    | -                      | -                   | (15,399)                     | Detailed Analysis       |
| 10       | Tax Refunds                                   | -                 | -                          | -                    | -                      | -                   | -                            | Total O&M Expenses      |
| 11       | Suppliers' Discounts                          | (57,843)          | (44,586)                   | (3,040)              | (6,053)                | (535)               | (3,628)                      | Total O&M Expenses      |
| 12       | Pole Attachments                              | (650,639)         | (636,213)                  | (14,306)             | (25,526)               | (22,413)            | 47,819                       | Detailed Analysis       |
| 13       | Secondary Energy Revenues                     | (433)             | (433)                      | -                    | -                      | -                   | -                            | Island Interconnected   |
| 14       | Wheeling Revenues                             | (350,957)         | (350,957)                  | -                    | -                      | -                   | -                            | Island Interconnected   |
| 15       | Miscellaneous Customer Revenues               | (2,693)           | (1,686)                    | (82)                 | (187)                  | (72)                | (666)                        | Customers               |
| 16       | Application Fees                              | (26,644)          | (21,134)                   | (812)                | (3,858)                | (840)               | -                            | Detailed Analysis       |
| 17       | Total Expense Credits                         | (1,648,372)       | (1,475,382)                | (46,540)             | (91,962)               | (28,842)            | (5,645)                      |                         |
| 18       | Subtotal Expenses                             | 241,301,182       | 205,454,121                | 7,063,441            | 16,675,839             | 1,837,292           | 10,270,488                   |                         |
| 19       | Disposal Gain/Loss                            | 1,838,987         | 1,724,552                  | (21,089)             | 12,157                 | 8,138               | 115,228                      | Detailed Analysis       |
| 20       | Subtotal Rev Req't Before Interest and Margin | 243,140,169       | 207,178,673                | 7,042,353            | 16,687,997             | 1,845,430           | 10,385,717                   |                         |
| 21       | Interest                                      | 92,779,792        | 86,587,610                 | 807,312              | 1,469,083              | 392,473             | 3,523,315                    | Net Book Value          |
| 22       | Margin                                        | 14,082,204        | 13,531,593                 | -                    | -                      | -                   | 550,611                      | Net Book Value          |
| 23       | Total Revenue Requirement                     | 350,002,165       | 307,297,875                | 7,849,665            | 18,157,079             | 2,237,903           | 14,459,642                   |                         |
|          | Calculation of Interest Coverage              |                   |                            |                      |                        |                     |                              |                         |
|          | Gross Interest Amount                         |                   |                            |                      |                        |                     |                              |                         |
| 24       | Total                                         | 94,097,000        |                            |                      |                        |                     |                              |                         |
| 25       | Amount on NBV not in service                  | (7,309)           |                            |                      |                        |                     |                              |                         |
| 26       | Amount on Rural Isolated NBV                  | (2,706,548)       |                            |                      |                        |                     |                              |                         |
| 27       | Balance for coverage calculation              | 91,383,143        | 87,810,084                 | -                    | -                      | -                   | 3,573,058                    |                         |
|          | Gross Interest Coverage                       |                   |                            |                      |                        |                     |                              |                         |
| 28       | Actual                                        | 1.154             |                            |                      |                        |                     |                              |                         |
| 29       | Target                                        | N/A               |                            |                      |                        |                     |                              |                         |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Total System**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No. | 1<br>Rate Class               | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credits<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|----------|-------------------------------|-----------------------|---------------------------------------------------------------------------------|---------------------------------|----------------------|------------------------------------------------------------------------------------|--------------------------------------------------|
|          | <b>Total System</b>           |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 1        | Newfoundland Power            | 241,330,495           | 212,658,748                                                                     | -                               | 32,352,437           | 245,011,185                                                                        | 1.13                                             |
| 2        | Island Industrial             | 54,907,696            | 53,691,786                                                                      | -                               | -                    | 53,691,786                                                                         | 1.02                                             |
| 3        | Labrador Industrial           | 4,010,872             | 2,746,841                                                                       | -                               | -                    | 2,746,841                                                                          | 1.46                                             |
| 4        | CFB - Goose Bay Secondary     | 3,476,460             | 906,159                                                                         | -                               | 137,857              | 1,044,016                                                                          | 3.84                                             |
| 5        | Rural Labrador Interconnected | 11,218,996            | 10,806,642                                                                      | -                               | 1,644,048            | 12,450,690                                                                         | 1.04                                             |
|          | <b>Rural Deficit Areas</b>    |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 6        | Island Interconnected         | 28,874,802            | 40,947,341                                                                      | -                               | (12,072,539)         | 28,874,802                                                                         | 0.71                                             |
| 7        | Island Isolated               | 1,161,096             | 7,849,665                                                                       | -                               | (6,688,569)          | 1,161,096                                                                          | 0.15                                             |
| 8        | Labrador Isolated             | 3,905,682             | 18,157,079                                                                      | -                               | (14,251,397)         | 3,905,682                                                                          | 0.22                                             |
| 9        | L'Anse au Loup                | 1,116,067             | 2,237,903                                                                       | -                               | (1,121,836)          | 1,116,067                                                                          | 0.50                                             |
| 10       | <b>Subtotal</b>               | <b>35,057,647</b>     | <b>69,191,989</b>                                                               | <b>-</b>                        | <b>(34,134,342)</b>  | <b>35,057,647</b>                                                                  | <b>0.51</b>                                      |
| 11       | <b>Total</b>                  | <b>350,002,167</b>    | <b>350,002,165</b>                                                              | <b>-</b>                        | <b>0</b>             | <b>350,002,165</b>                                                                 | <b>1.00</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                     | 1<br>Rate Class                    | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>Allocation<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|------------------------------|------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Island Interconnected</b> |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                            | Newfoundland Power                 | 198,940,172           | 212,658,748                                                                     | -                              |                                    |                                                                                                   |                                                  |
| 2                            | NLP RSP Activity                   | 42,390,323            |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 3                            | <b>Subtotal Newfoundland Power</b> | <b>241,330,495</b>    | <b>212,658,748</b>                                                              | <b>-</b>                       | <b>32,352,437</b>                  | <b>245,011,185</b>                                                                                | <b>1.13</b>                                      |
| 4                            | Industrial - Firm                  | 40,203,685            | 53,691,786                                                                      | -                              |                                    |                                                                                                   |                                                  |
| 5                            | Industrial RSP Activity            | 14,704,011            |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 6                            | <b>Subtotal Industrial</b>         | <b>54,907,696</b>     | <b>53,691,786</b>                                                               | <b>-</b>                       | <b>-</b>                           | <b>53,691,786</b>                                                                                 | <b>1.02</b>                                      |
| <b>Rural</b>                 |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 7                            | 1.1 Domestic                       | 9,235,344             | 14,238,208                                                                      | -                              | (5,002,864)                        | 9,235,344                                                                                         | 0.65                                             |
| 8                            | 1.12 Domestic All Electric         | 8,149,734             | 14,023,346                                                                      | -                              | (5,873,612)                        | 8,149,734                                                                                         | 0.58                                             |
| 9                            | 1.3 Special                        | 9,625                 | 25,687                                                                          | -                              | (16,062)                           | 9,625                                                                                             | 0.37                                             |
| 10                           | 2.1 General Service 0-10 kW        | 1,697,457             | 2,079,861                                                                       | -                              | (382,404)                          | 1,697,457                                                                                         | 0.82                                             |
| 11                           | 2.2 General Service 10-100 kW      | 4,612,754             | 4,891,256                                                                       | -                              | (278,502)                          | 4,612,754                                                                                         | 0.94                                             |
| 12                           | 2.3 General Service 110-1,000 kVa  | 2,889,189             | 2,895,342                                                                       | -                              | (6,153)                            | 2,889,189                                                                                         | 1.00                                             |
| 13                           | 2.4 General Service Over 1,000 kVa | 1,559,049             | 2,046,512                                                                       | -                              | (487,463)                          | 1,559,049                                                                                         | 0.76                                             |
| 14                           | 4.1 Street and Area Lighting       | 721,650               | 747,128                                                                         | -                              | (25,478)                           | 721,650                                                                                           | 0.97                                             |
| 15                           | <b>Subtotal Rural</b>              | <b>28,874,802</b>     | <b>40,947,341</b>                                                               | <b>-</b>                       | <b>(12,072,539)</b>                | <b>28,874,802</b>                                                                                 | <b>0.71</b>                                      |
| 16                           | <b>Total Island Interconnected</b> | <b>325,112,994</b>    | <b>307,297,875</b>                                                              | <b>-</b>                       | <b>20,279,897</b>                  | <b>327,577,773</b>                                                                                | <b>1.06</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No. | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|----------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
|          | <b>Island Isolated</b>              |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1        | 1.2 Domestic Diesel                 | 702,517               | 5,203,388                                                                       |                                | (4,500,871)          | 702,517                                                                                           | 0.14                                             |
| 2        | 1.2G Government Domestic Diesel     | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 3        | 1.23 Churches & Community Halls     | 66,099                | 533,764                                                                         |                                | (467,665)            | 66,099                                                                                            | 0.12                                             |
| 4        | 2.2 GS 10-100 kW                    | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 5        | 2.3 GS 110-1,000 kVa                | 60,331                | 727,255                                                                         |                                | (666,924)            | 60,331                                                                                            | 0.08                                             |
| 6        | 2.5 GS Diesel                       | 298,406               | 1,287,061                                                                       |                                | (988,655)            | 298,406                                                                                           | 0.23                                             |
| 7        | 2.5G Gov't General Service Diesel   | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 8        | 4.1 Street and Area Lighting        | 33,743                | 98,198                                                                          |                                | (64,455)             | 33,743                                                                                            | 0.34                                             |
| 9        | 4.1G Gov't Street and Area Lighting | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 10       | <b>Total</b>                        | <b>1,161,096</b>      | <b>7,849,665</b>                                                                |                                | <b>(6,688,569)</b>   | <b>1,161,096</b>                                                                                  | <b>0.15</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line<br>No. | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|-------------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
|             |                                     |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
|             | <b>Labrador Isolated</b>            |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1           | 1.2 Domestic Diesel                 | 1,841,944             | 10,012,979                                                                      |                                | (8,171,035)          | 1,841,944                                                                                         | 0.18                                             |
| 2           | 1.2G Government Domestic Diesel     | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 3           | 1.23 Churches & Community Halls     | 193,002               | 1,025,199                                                                       |                                | (832,197)            | 193,002                                                                                           | 0.19                                             |
| 4           | 2.2 GS 10-100 kW                    | 41,625                | 291,300                                                                         |                                | (249,675)            | 41,625                                                                                            | 0.14                                             |
| 5           | 2.3 GS 110-1,000 kVa                | 212,308               | 1,511,361                                                                       |                                | (1,299,053)          | 212,308                                                                                           | 0.14                                             |
| 6           | 2.4 General Service over 1000 kVa   | 111,739               | 928,090                                                                         |                                | (816,351)            | 111,739                                                                                           | 0.12                                             |
| 7           | 2.5 GS Diesel                       | 1,441,168             | 4,229,712                                                                       |                                | (2,788,544)          | 1,441,168                                                                                         | 0.34                                             |
| 8           | 2.5G Gov't General Service Diesel   | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 9           | 4.1 Street and Area Lighting        | 63,896                | 158,439                                                                         |                                | (94,543)             | 63,896                                                                                            | 0.40                                             |
| 10          | 4.1G Gov't Street and Area Lighting | -                     | -                                                                               |                                | -                    | -                                                                                                 | 0.00                                             |
| 11          | <b>Total</b>                        | <b>3,905,682</b>      | <b>18,157,079</b>                                                               |                                | <b>(14,251,397)</b>  | <b>3,905,682</b>                                                                                  | <b>0.22</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**L'Anse au Loup**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line<br>No. | 1<br>Rate Class                   | 2                | 3                                                                  | 4                 | 5                  | 6                                                                                    | 7                                           |
|-------------|-----------------------------------|------------------|--------------------------------------------------------------------|-------------------|--------------------|--------------------------------------------------------------------------------------|---------------------------------------------|
|             |                                   | Revenues         | Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation | Revenue<br>Credit | Deficit            | Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5) | Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|             |                                   | (\$)             | (\$)                                                               | (\$)              | (\$)               | (\$)                                                                                 |                                             |
|             | <b>L'Anse au Loup</b>             |                  |                                                                    |                   |                    |                                                                                      |                                             |
| 1           | 1.1 Domestic                      | 620,967          | 1,414,946                                                          |                   | (793,979)          | 620,967                                                                              | 0.44                                        |
| 2           | 1.12 Domestic All Electric        | 24,639           | 63,794                                                             |                   | (39,155)           | 24,639                                                                               | 0.39                                        |
| 3           | 2.1 General Service 0-10 kW       | 120,972          | 232,285                                                            |                   | (111,313)          | 120,972                                                                              | 0.52                                        |
| 4           | 2.2 General Service 10-100 kW     | 246,851          | 382,108                                                            |                   | (135,257)          | 246,851                                                                              | 0.65                                        |
| 5           | 2.3 General Service 110-1,000 kVa | 73,126           | 111,954                                                            |                   | (38,828)           | 73,126                                                                               | 0.65                                        |
| 6           | 4.1 Street and Area Lighting      | 29,512           | 32,816                                                             |                   | (3,304)            | 29,512                                                                               | 0.90                                        |
| 7           | <b>Total L'Anse Au Loup</b>       | <b>1,116,067</b> | <b>2,237,903</b>                                                   |                   | <b>(1,121,836)</b> | <b>1,116,067</b>                                                                     | <b>0.50</b>                                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                       | Rate Class                           | 1<br>Revenues<br>(\$) | 2<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 3<br>Revenue<br>Credit<br>(\$) | 4<br>Deficit<br>Allocation<br>(\$) | 5<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 6<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|--------------------------------|--------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Labrador Interconnected</b> |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                              | Industrial IOCC Firm                 | 4,005,675             | 2,447,893                                                                       | -                              | -                                  | 2,447,893                                                                                         | 1.64                                             |
| 2                              | Industrial IOCC Non-Firm             | 5,197                 | 298,948                                                                         | -                              | -                                  | 298,948                                                                                           | 0.02                                             |
| 3                              | <b>Subtotal Industrial</b>           | <b>4,010,872</b>      | <b>2,746,841</b>                                                                | <b>-</b>                       | <b>-</b>                           | <b>2,746,841</b>                                                                                  | <b>1.46</b>                                      |
| 4                              | <b>CFB - Goose Bay Secondary</b>     | <b>3,476,460</b>      | <b>906,159</b>                                                                  |                                | <b>137,857</b>                     | <b>1,044,016</b>                                                                                  | <b>3.84</b>                                      |
| <b>Rural</b>                   |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 5                              | 1.1 Domestic                         | 188,051               | 339,782                                                                         |                                | 51,692                             | 391,474                                                                                           | 0.55                                             |
| 6                              | 1.1A Domestic All Electric           | 5,141,538             | 7,177,377                                                                       |                                | 1,091,917                          | 8,269,294                                                                                         | 0.72                                             |
| 7                              | 2.1 General Service 0-10 kW          | 214,099               | 251,718                                                                         |                                | 38,295                             | 290,012                                                                                           | 0.85                                             |
| 8                              | 2.2 General Service 10-100 kW        | 2,017,172             | 1,337,908                                                                       |                                | 203,540                            | 1,541,448                                                                                         | 1.51                                             |
| 9                              | 2.3 General Service 110-1,000 kVa    | 2,518,970             | 1,062,349                                                                       |                                | 161,618                            | 1,223,967                                                                                         | 2.37                                             |
| 10                             | 2.4 General Service Over 1,000 kVa   | 992,579               | 487,114                                                                         |                                | 74,106                             | 561,220                                                                                           | 2.04                                             |
| 11                             | 4.1 Street and Area Lighting         | 146,587               | 150,395                                                                         |                                | 22,880                             | 173,275                                                                                           | 0.97                                             |
| 12                             | <b>Subtotal Rural</b>                | <b>11,218,996</b>     | <b>10,806,642</b>                                                               | <b>-</b>                       | <b>1,644,048</b>                   | <b>12,450,690</b>                                                                                 | <b>1.04</b>                                      |
| 13                             | <b>Total Labrador Interconnected</b> | <b>18,706,328</b>     | <b>14,459,642</b>                                                               | <b>-</b>                       | <b>1,781,905</b>                   | <b>16,241,547</b>                                                                                 | <b>1.29</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Total System**  
**Rural Deficit Allocation**

| Line No.                                            | 1                                       | 2                            | 3                  | 4                  | 5                      | 6                    |
|-----------------------------------------------------|-----------------------------------------|------------------------------|--------------------|--------------------|------------------------|----------------------|
|                                                     | Rate Class                              | Allocated Revenue Req't (\$) | Demand (\$)        | Energy (\$)        | Customer (\$)          | Source               |
| <b>Before Deficit and Revenue Credit Allocation</b> |                                         |                              |                    |                    |                        |                      |
| <b>CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:</b> |                                         |                              |                    |                    |                        |                      |
| 1                                                   | Newfoundland Power                      | 212,658,748                  | 88,528,403         | 122,199,834        | 1,930,510              | Schedule 1.3.1, p. 1 |
| 2                                                   | Island Industrial                       | 53,691,786                   | 19,171,360         | 33,688,728         | 831,698                |                      |
| 3                                                   | Labrador Industrial                     | 2,746,841                    | 2,242,002          | 504,839            | -                      | Schedule 1.3.1, p. 5 |
| 4                                                   | CFB - Goose Bay Secondary               | 906,159                      | 633,023            | 193,193            | 79,943                 |                      |
| 5                                                   | Rural Labrado Interconnected            | 10,806,642                   | 7,043,402          | 1,108,594          | 2,654,646              |                      |
| 6                                                   | <b>Total</b>                            | <b>280,810,176</b>           | <b>117,618,190</b> | <b>157,695,188</b> | <b>5,496,798</b>       |                      |
| 7                                                   | Deficit Classified                      | 34,134,342                   | 14,297,272         | 19,168,897         | 668,172                | Prorated on Line 4   |
| <b>UNIT COSTS OF DEFICIT:</b>                       |                                         |                              |                    |                    |                        |                      |
| Island Interconnected:                              |                                         |                              | AED KW             | MWH                | Customers *            |                      |
| 8                                                   | Newfoundland Power                      |                              | 807,731            | 4,531,400          | 5,844                  |                      |
| 9                                                   | Island Industrial                       |                              | 174,999            | 1,249,241          | 2,518                  |                      |
| 10                                                  | <b>Subtotal Island Interconnected</b>   |                              | <b>982,730</b>     | <b>5,780,641</b>   | <b>8,362</b>           |                      |
| Labrador Interconnected:                            |                                         |                              |                    |                    |                        |                      |
| 11                                                  | Labrador Industrial                     |                              | 68,537             | 229,834            | 0                      |                      |
| 12                                                  | CFB - Goose Bay Secondary               |                              | 19,345             | 87,953             | 271                    |                      |
| 13                                                  | Rural Labrado Interconnected            |                              | 109,661            | 504,699            | 8,988                  |                      |
| 14                                                  | <b>Subtotal Labrador Interconnected</b> |                              | <b>197,543</b>     | <b>822,486</b>     | <b>9,259</b>           |                      |
| 15                                                  | <b>Total</b>                            |                              | <b>1,180,273</b>   | <b>6,603,127</b>   | <b>17,621</b>          |                      |
| 16                                                  | Deficit Unit Costs                      |                              | \$12.11<br>\$/KW   | \$2.90<br>\$/MWH   | \$37.92<br>\$/Customer | Line 5 / Line 11     |

\* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:  
Island Interconnected: \$330.33  
Labrador Interconnected: \$295.35

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Total System**  
**Rural Deficit Allocation**

| Line No.               | 1                       | 2                                  | 3                 | 4                 | 5                | 6                 |
|------------------------|-------------------------|------------------------------------|-------------------|-------------------|------------------|-------------------|
|                        | Rate Class              | Deficit Allocation                 |                   |                   |                  | Source            |
|                        |                         | Allocated<br>Revenue Req't<br>(\$) | Demand<br>(\$)    | Energy<br>(\$)    | Customer<br>(\$) |                   |
| ALLOCATION OF DEFICIT: |                         |                                    |                   |                   |                  |                   |
| 17                     | Island Interconnected   | 29,002,633                         | 11,904,329        | 16,781,218        | 317,085          | Line 7 x Line 12  |
| 18                     | Labrador Interconnected | 5,131,709                          | 2,392,943         | 2,387,679         | 351,087          | Line 10 x Line 12 |
| 19                     | <b>Allocated Totals</b> | <b>34,134,342</b>                  | <b>14,297,272</b> | <b>19,168,897</b> | <b>668,172</b>   |                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                         | 1                         | 2                      | 3                  | 4                           | 5          | 6                                         | 7                 | 8                      | 9                  | 10                          | 11                    |
|-------------|------------------------------------|---------------------------|------------------------|--------------------|-----------------------------|------------|-------------------------------------------|-------------------|------------------------|--------------------|-----------------------------|-----------------------|
|             |                                    | Before Deficit Allocation |                        |                    |                             |            | After Deficit & Revenue Credit Allocation |                   |                        |                    |                             |                       |
|             |                                    | Demand                    |                        | Energy<br>(\$/kWh) | Non-Demand                  |            | Customer<br>(\$/Bill)                     | Demand            |                        | Energy<br>(\$/kWh) | Non-Demand                  |                       |
|             |                                    | Demand<br>(\$/kW)         | Non-Demand<br>(\$/kWh) |                    | Demand & Energy<br>(\$/kWh) |            |                                           | Demand<br>(\$/kW) | Non-Demand<br>(\$/kWh) |                    | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |
|             | <b>Island Interconnected</b>       |                           |                        |                    |                             |            |                                           |                   |                        |                    |                             |                       |
| 1           | Newfoundland Power                 | -                         | 0.02001                | 0.02763            | 0.04764                     | 160,875.86 | -                                         | 0.02306           | 0.03183                | 0.05489            | 185,350.41                  |                       |
| 2           | Industrial                         | 9.05                      | -                      | 0.02772            | -                           | 17,327.05  | 9.05                                      | -                 | 0.02772                | -                  | 17,327.05                   |                       |
|             | <b>Rural</b>                       |                           |                        |                    |                             |            |                                           |                   |                        |                    |                             |                       |
| 3           | 1.1 Domestic                       | -                         | 0.06918                | 0.03017            | 0.09935                     | 25.70      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 4           | 1.12 Domestic All Electric         | -                         | 0.08402                | 0.03017            | 0.11419                     | 25.70      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 5           | 1.3 Special                        | -                         | 0.08349                | 0.03017            | 0.11366                     | 25.70      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 6           | 2.1 General Service 0-10 kW        | -                         | 0.06386                | 0.03017            | 0.09403                     | 29.19      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 7           | 2.2 General Service 10-100 kW      | 14.15                     | -                      | 0.03017            | -                           | 50.33      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 8           | 2.3 General Service 110-1,000 kVa  | 10.53                     | -                      | 0.03008            | -                           | 50.75      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 9           | 2.4 General Service Over 1,000 kVa | 14.74                     | -                      | 0.02993            | -                           | 46.74      | -                                         | -                 | -                      | -                  | -                           | -                     |
| 10          | 4.1 Street and Area Lighting       | -                         | 0.07076                | 0.03017            | 0.10092                     | 38.25      | -                                         | -                 | -                      | -                  | -                           | -                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Isolated  
Unit Demand, Energy & Customer Amounts

| 1               |                                    | 2                         |                        | 3                  | 4                                         |                   | 5                                         | 6                  | 7                                         | 8 | 9 | 10                    |   | 11 |
|-----------------|------------------------------------|---------------------------|------------------------|--------------------|-------------------------------------------|-------------------|-------------------------------------------|--------------------|-------------------------------------------|---|---|-----------------------|---|----|
| Line<br>No.     | Rate Class                         | Before Deficit Allocation |                        |                    |                                           |                   | After Deficit & Revenue Credit Allocation |                    |                                           |   |   | Customer<br>(\$/Bill) |   |    |
|                 |                                    | Demand                    |                        | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) | Demand            |                                           | Energy<br>(\$/kWh) | Non-Demand<br>Demand & Energy<br>(\$/kWh) |   |   |                       |   |    |
|                 |                                    | Demand<br>(\$/kW)         | Non-Demand<br>(\$/kWh) |                    |                                           | Demand<br>(\$/kW) | Non-Demand<br>(\$/kWh)                    |                    |                                           |   |   |                       |   |    |
| Island Isolated |                                    |                           |                        |                    |                                           |                   |                                           |                    |                                           |   |   |                       |   |    |
| 1               | 1.2 Domestic Diesel                | -                         | 0.53611                | 0.15868            | 0.69479                                   | 28.75             | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 2               | 1.2G Government Domestic Diesel    | -                         | -                      | -                  | -                                         | -                 | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 3               | 1.23 Churches & Schools            | -                         | 0.78714                | 0.15868            | 0.94582                                   | 28.75             | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 4               | 2.2 General Service 10-100 kW      | -                         | -                      | -                  | -                                         | -                 | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 5               | 2.3 General Service 110-1,000 kVa  | 182.26                    | -                      | 0.15868            | -                                         | 66.65             | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 6               | 2.5 General Service Diesel         | -                         | 0.54037                | 0.15868            | 0.69905                                   | 33.75             | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 7               | 2.5G Government General Service Di | -                         | -                      | -                  | -                                         | -                 | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 8               | 4.1 Street and Area Lighting       | -                         | 0.50527                | 0.15868            | 0.66396                                   | 43.82             | -                                         | -                  | -                                         | - | - | -                     | - | -  |
| 9               | 4.1G Government Street Lighting    | -                         | -                      | -                  | -                                         | -                 | -                                         | -                  | -                                         | - | - | -                     | - | -  |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Unit Demand, Energy & Customer Amounts

|                   | 1                                  | 2                         | 3                   | 4               | 5                        | 6                  | 7                                         | 8                   | 9               | 10                       | 11                 |
|-------------------|------------------------------------|---------------------------|---------------------|-----------------|--------------------------|--------------------|-------------------------------------------|---------------------|-----------------|--------------------------|--------------------|
| Line No.          | Rate Class                         | Before Deficit Allocation |                     |                 |                          |                    | After Deficit & Revenue Credit Allocation |                     |                 |                          |                    |
|                   |                                    | Demand                    |                     | Non-Demand      |                          |                    | Demand                                    |                     | Non-Demand      |                          |                    |
|                   |                                    | Demand (\$/kW)            | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) | Demand (\$/kW)                            | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) |
| Labrador Isolated |                                    |                           |                     |                 |                          |                    |                                           |                     |                 |                          |                    |
| 1                 | 1.2 Domestic Diesel                | -                         | 0.33485             | 0.17049         | 0.50534                  | 27.34              | -                                         | -                   | -               | -                        | -                  |
| 2                 | 1.2G Government Domestic Diesel    | -                         | -                   | -               | -                        | -                  | -                                         | -                   | -               | -                        | -                  |
| 3                 | 1.23 Churches & Schools            | -                         | 0.46081             | 0.17049         | 0.63130                  | 27.34              | -                                         | -                   | -               | -                        | -                  |
| 4                 | 2.2 General Service 10-100 kW      | 66.55                     | -                   | 0.17049         | -                        | 58.24              | -                                         | -                   | -               | -                        | -                  |
| 5                 | 2.3 General Service 110-1,000 kVa  | 62.43                     | -                   | 0.17049         | -                        | 60.43              | -                                         | -                   | -               | -                        | -                  |
| 6                 | 2.4 General Service over 1000 kVa  | 129.01                    | -                   | 0.17049         | -                        | 60.43              | -                                         | -                   | -               | -                        | -                  |
| 7                 | 2.5 General Service Diesel         | -                         | 0.31603             | 0.17049         | 0.48652                  | 31.71              | -                                         | -                   | -               | -                        | -                  |
| 8                 | 2.5G Government General Service Di | -                         | -                   | -               | -                        | -                  | -                                         | -                   | -               | -                        | -                  |
| 9                 | 4.1 Street and Area Lighting       | -                         | 0.32421             | 0.17049         | 0.49469                  | 49.71              | -                                         | -                   | -               | -                        | -                  |
| 10                | 4.1G Government Street Lighting    |                           |                     |                 |                          |                    |                                           |                     |                 |                          |                    |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Unit Demand, Energy & Customer Amounts

|                | 1                                 | 2                         | 3                   | 4               | 5                        | 6                  | 7                                         | 8                   | 9               | 10                       | 11                 |  |
|----------------|-----------------------------------|---------------------------|---------------------|-----------------|--------------------------|--------------------|-------------------------------------------|---------------------|-----------------|--------------------------|--------------------|--|
|                | Rate Class                        | Before Deficit Allocation |                     |                 |                          |                    | After Deficit & Revenue Credit Allocation |                     |                 |                          |                    |  |
| Line No.       |                                   | Demand                    |                     |                 | Non-Demand               |                    | Demand                                    |                     |                 | Non-Demand               |                    |  |
|                |                                   | Demand (\$/kW)            | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) | Demand (\$/kW)                            | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) | Customer (\$/Bill) |  |
| L'Anse au Loup |                                   |                           |                     |                 |                          |                    |                                           |                     |                 |                          |                    |  |
| 1              | 1.1 Domestic                      | -                         | 0.10379             | 0.05405         | 0.15784                  | 28.96              | -                                         | -                   | -               | -                        | -                  |  |
| 2              | 1.12 Domestic All Electric        | -                         | 0.12614             | 0.05405         | 0.18019                  | 28.96              | -                                         | -                   | -               | -                        | -                  |  |
| 3              | 2.1 General Service 0-10 kW       | -                         | 0.11152             | 0.05405         | 0.16557                  | 32.76              | -                                         | -                   | -               | -                        | -                  |  |
| 4              | 2.2 General Service 10-100 kW     | 18.49                     | -                   | 0.05405         | -                        | 55.85              | -                                         | -                   | -               | -                        | -                  |  |
| 5              | 2.3 General Service 110-1,000 kVa | 12.24                     | -                   | 0.05405         | -                        | 57.75              | -                                         | -                   | -               | -                        | -                  |  |
| 6              | 4.1 Street and Area Lighting      | -                         | 0.10543             | 0.05405         | 0.15948                  | 41.39              | -                                         | -                   | -               | -                        | -                  |  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                         | 2                         | 3                      | 4                  | 5                           | 6                     | 7                                         | 8                      | 9                  | 10                          | 11                    |
|-------------|------------------------------------|---------------------------|------------------------|--------------------|-----------------------------|-----------------------|-------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|
|             |                                    | Before Deficit Allocation |                        |                    |                             |                       | After Deficit & Revenue Credit Allocation |                        |                    |                             |                       |
|             |                                    | Demand                    |                        | Energy<br>(\$/kWh) | Non-Demand                  |                       | Demand                                    |                        | Energy<br>(\$/kWh) | Non-Demand                  |                       |
|             |                                    | Demand<br>(\$/kW)         | Non-Demand<br>(\$/kWh) |                    | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                         | Non-Demand<br>(\$/kWh) |                    | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |
|             | <b>Labrador Interconnected</b>     |                           |                        |                    |                             |                       |                                           |                        |                    |                             |                       |
| 1           | Industrial - IOCC Firm             | 2.55                      | -                      | 0.00253            | -                           | 0.00                  | 2.55                                      | -                      | 0.00253            | -                           | 0.00                  |
| 2           | Industrial - IOCC Secondary        | -                         | 1.06202                | 0.00253            | 1.06455                     | 0.00                  | -                                         | 1.06202                | 0.00253            | 1.06455                     | 0.00                  |
| 3           | CFB - Goose Bay Secondary          | -                         | 0.00787                | 0.00240            | 0.01027                     | 6,661.93              | -                                         | 0.00907                | 0.00277            | 0.01184                     | 7,675.43              |
|             | <b>Rural</b>                       |                           |                        |                    |                             |                       |                                           |                        |                    |                             |                       |
| 4           | 1.1 Domestic                       | -                         | 0.01755                | 0.00257            | 0.02011                     | 22.52                 | -                                         | 0.02022                | 0.00296            | 0.02317                     | 25.95                 |
| 5           | 1.1A Domestic All Electric         | -                         | 0.01982                | 0.00257            | 0.02238                     | 22.52                 | -                                         | 0.02283                | 0.00296            | 0.02579                     | 25.95                 |
| 6           | <b>Domestic</b>                    | -                         | 0.01975                | 0.00257            | 0.02231                     | 22.52                 | -                                         | 0.02275                | 0.00296            | 0.02571                     | 25.95                 |
| 7           | 2.1 General Service 0-10 kW        | -                         | 0.01812                | 0.00257            | 0.02069                     | 25.18                 | 0.00                                      | 0.02088                | 0.00296            | 0.02384                     | 29.01                 |
| 8           | 2.2 General Service 10-100 kW      | 3.09                      | -                      | 0.00256            | -                           | 41.31                 | 3.55                                      | -                      | 0.00295            | -                           | 47.59                 |
| 9           | 2.3 General Service 110-1,000 kVa  | 2.75                      | -                      | 0.00257            | -                           | 42.64                 | 3.17                                      | -                      | 0.00296            | -                           | 49.12                 |
| 10          | 2.4 General Service Over 1,000 kVa | 3.91                      | -                      | 0.00245            | -                           | 42.64                 | 4.51                                      | -                      | 0.00283            | -                           | 49.12                 |
| 11          | 4.1 Street and Area Lighting       | -                         | 0.01573                | 0.00255            | 0.01828                     | 41.89                 | 0.00                                      | 0.01813                | 0.00293            | 0.02106                     | 48.26                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Total Demand, Energy & Customer Amounts**

| Line No. | Rate Class                         | 1                         | 2                  | 3                  | 4                 | 5                                         | 6           | 7           | 8             | 9 |
|----------|------------------------------------|---------------------------|--------------------|--------------------|-------------------|-------------------------------------------|-------------|-------------|---------------|---|
|          |                                    | Before Deficit Allocation |                    |                    |                   | After Deficit & Revenue Credit Allocation |             |             |               |   |
|          |                                    | Total (\$)                | Demand (\$)        | Energy (\$)        | Customer (\$)     | Total (\$)                                | Demand (\$) | Energy (\$) | Customer (\$) |   |
|          | <b>Island Interconnected</b>       |                           |                    |                    |                   |                                           |             |             |               |   |
| 1        | Newfoundland Power                 | 212,658,748               | 88,528,403         | 122,199,834        | 1,930,510         | 245,011,185                               | 101,996,505 | 140,790,475 | 2,224,205     |   |
| 2        | Industrial                         | 53,691,786                | 19,171,360         | 33,688,728         | 831,698           | 53,691,786                                | 19,171,360  | 33,688,728  | 831,698       |   |
|          | <b>Rural</b>                       |                           |                    |                    |                   |                                           |             |             |               |   |
| 3        | 1.1 Domestic                       | 14,238,208                | 7,285,413          | 3,177,053          | 3,775,742         | -                                         | -           | -           | -             |   |
| 4        | 1.12 Domestic All Electric         | 14,023,346                | 8,792,155          | 3,156,996          | 2,074,196         | -                                         | -           | -           | -             |   |
| 5        | 1.3 Special                        | 25,687                    | 18,416             | 6,654              | 617               | -                                         | -           | -           | -             |   |
| 6        | 2.1 General Service 0-10 kW        | 2,079,861                 | 960,343            | 453,682            | 665,836           | -                                         | -           | -           | -             |   |
| 7        | 2.2 General Service 10-100 kW      | 4,891,256                 | 2,738,677          | 1,643,536          | 509,043           | -                                         | -           | -           | -             |   |
| 8        | 2.3 General Service 110-1,000 kVa  | 2,895,342                 | 1,742,606          | 1,111,629          | 41,108            | -                                         | -           | -           | -             |   |
| 9        | 2.4 General Service Over 1,000 kVa | 2,046,512                 | 1,268,661          | 774,112            | 3,739             | -                                         | -           | -           | -             |   |
| 10       | 4.1 Street and Area Lighting       | 747,128                   | 207,681            | 88,549             | 450,899           | -                                         | -           | -           | -             |   |
| 11       | <b>Subtotal Rural</b>              | <b>40,947,341</b>         | <b>23,013,952</b>  | <b>10,412,211</b>  | <b>7,521,179</b>  |                                           |             |             |               |   |
| 12       | <b>Total Island Interconnected</b> | <b>307,297,875</b>        | <b>130,713,715</b> | <b>166,300,773</b> | <b>10,283,388</b> |                                           |             |             |               |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Total Demand, Energy & Customer Amounts**

| Line<br>No.            | Rate Class                             | 1                         | 2                | 3                | 4                | 5                                         | 6              | 7              | 8                | 9 |
|------------------------|----------------------------------------|---------------------------|------------------|------------------|------------------|-------------------------------------------|----------------|----------------|------------------|---|
|                        |                                        | Before Deficit Allocation |                  |                  |                  | After Deficit & Revenue Credit Allocation |                |                |                  |   |
|                        |                                        | Total<br>(\$)             | Demand<br>(\$)   | Energy<br>(\$)   | Customer<br>(\$) | Total<br>(\$)                             | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |   |
| <b>Island Isolated</b> |                                        |                           |                  |                  |                  |                                           |                |                |                  |   |
| 1                      | 1.2 Domestic Diesel                    | 5,203,388                 | 3,771,807        | 1,116,433        | 315,148          | -                                         | -              | -              | -                |   |
| 2                      | 1.2G Government Domestic Diesel        | -                         | -                | -                | -                | -                                         | -              | -              | -                |   |
| 3                      | 1.23 Churches & Schools                | 533,764                   | 434,905          | 87,675           | 11,183           | -                                         | -              | -              | -                |   |
| 4                      | 2.2 General Service 10-100 kW          | -                         | -                | -                | -                | -                                         | -              | -              | -                |   |
| 5                      | 2.3 General Service 110-1,000 kVa      | 727,255                   | 608,889          | 117,566          | 800              | -                                         | -              | -              | -                |   |
| 6                      | 2.5 General Service Diesel             | 1,287,061                 | 956,464          | 280,876          | 49,721           | -                                         | -              | -              | -                |   |
| 7                      | 2.5G Government General Service Diesel | -                         | -                | -                | -                | -                                         | -              | -              | -                |   |
| 8                      | 4.1 Street and Area Lighting           | 98,198                    | 59,454           | 18,672           | 20,071           | -                                         | -              | -              | -                |   |
| 9                      | 4.1G Government Street Lighting        | -                         | -                | -                | -                | -                                         | -              | -              | -                |   |
| 10                     | <b>Total Island Isolated</b>           | <b>7,849,665</b>          | <b>5,831,519</b> | <b>1,621,222</b> | <b>396,923</b>   |                                           |                |                |                  |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Total Demand, Energy & Customer Amounts**

| Line<br>No.              | Rate Class                             | 1                         | 2                 | 3                | 4                | 5                                         | 6              | 7              | 8                | 9 |
|--------------------------|----------------------------------------|---------------------------|-------------------|------------------|------------------|-------------------------------------------|----------------|----------------|------------------|---|
|                          |                                        | Before Deficit Allocation |                   |                  |                  | After Deficit & Revenue Credit Allocation |                |                |                  |   |
|                          |                                        | Total<br>(\$)             | Demand<br>(\$)    | Energy<br>(\$)   | Customer<br>(\$) | Total<br>(\$)                             | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |   |
| <b>Labrador Isolated</b> |                                        |                           |                   |                  |                  |                                           |                |                |                  |   |
| 1                        | 1.2 Domestic Diesel                    | 10,012,979                | 6,207,245         | 3,160,358        | 645,376          | -                                         | -              | -              | -                | - |
| 2                        | 1.2G Government Domestic Diesel        | -                         | -                 | -                | -                | -                                         | -              | -              | -                | - |
| 3                        | 1.23 Churches & Schools                | 1,025,199                 | 737,363           | 272,802          | 15,035           | -                                         | -              | -              | -                | - |
| 4                        | 2.2 General Service 10-100 kW          | 291,300                   | 200,070           | 87,096           | 4,135            | -                                         | -              | -              | -                | - |
| 5                        | 2.3 General Service 110-1,000 kVa      | 1,511,361                 | 1,089,044         | 416,758          | 5,559            | -                                         | -              | -              | -                | - |
| 6                        | 2.4 General Service over 1000 kVa      | 928,090                   | 622,670           | 304,815          | 604              | -                                         | -              | -              | -                | - |
| 7                        | 2.5 General Service Diesel             | 4,229,712                 | 2,644,116         | 1,426,398        | 159,197          | -                                         | -              | -              | -                | - |
| 8                        | 2.5G Government General Service Diesel | -                         | -                 | -                | -                | -                                         | -              | -              | -                | - |
| 9                        | 4.1 Street and Area Lighting           | 158,439                   | 75,328            | 39,612           | 43,500           | -                                         | -              | -              | -                | - |
| 10                       | 4.1G Government Street Lighting        | -                         | -                 | -                | -                | -                                         | -              | -              | -                | - |
| 11                       | <b>Total Labrador Isolated</b>         | <b>18,157,079</b>         | <b>11,575,835</b> | <b>5,707,838</b> | <b>873,406</b>   |                                           |                |                |                  |   |

**NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Total Demand, Energy & Customer Amounts**

| Line<br>No.           | Rate Class                        | 1                         | 2                | 3              | 4                | 5                                         | 6              | 7              | 8                | 9 |
|-----------------------|-----------------------------------|---------------------------|------------------|----------------|------------------|-------------------------------------------|----------------|----------------|------------------|---|
|                       |                                   | Before Deficit Allocation |                  |                |                  | After Deficit & Revenue Credit Allocation |                |                |                  |   |
|                       |                                   | Total<br>(\$)             | Demand<br>(\$)   | Energy<br>(\$) | Customer<br>(\$) | Total<br>(\$)                             | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |   |
| <b>L'Anse au Loup</b> |                                   |                           |                  |                |                  |                                           |                |                |                  |   |
| 1                     | 1.1 Domestic                      | 1,414,946                 | 765,254          | 398,503        | 251,189          | -                                         | -              | -              | -                |   |
| 2                     | 1.12 Domestic All Electric        | 63,794                    | 39,794           | 17,051         | 6,949            | -                                         | -              | -              | -                |   |
| 3                     | 2.1 General Service 0-10 kW       | 232,285                   | 118,241          | 57,307         | 56,737           | -                                         | -              | -              | -                |   |
| 4                     | 2.2 General Service 10-100 kW     | 382,108                   | 199,142          | 149,403        | 33,563           | -                                         | -              | -              | -                |   |
| 5                     | 2.3 General Service 110-1,000 kVa | 111,954                   | 66,091           | 44,477         | 1,386            | -                                         | -              | -              | -                |   |
| 6                     | 4.1 Street and Area Lighting      | 32,816                    | 11,515           | 5,903          | 15,398           | -                                         | -              | -              | -                |   |
| 7                     | <b>Total L'Anse au Loup</b>       | <b>2,237,903</b>          | <b>1,200,036</b> | <b>672,645</b> | <b>365,222</b>   |                                           |                |                |                  |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Total Demand, Energy & Customer Amounts**

| Line No.                       | Rate Class                           | 1                         | 2                | 3                | 4                | 5                                         | 6                 | 7                | 8                | 9 |
|--------------------------------|--------------------------------------|---------------------------|------------------|------------------|------------------|-------------------------------------------|-------------------|------------------|------------------|---|
|                                |                                      | Before Deficit Allocation |                  |                  |                  | After Deficit & Revenue Credit Allocation |                   |                  |                  |   |
|                                |                                      | Total (\$)                | Demand (\$)      | Energy (\$)      | Customer (\$)    | Total (\$)                                | Demand (\$)       | Energy (\$)      | Customer (\$)    |   |
| <b>Labrador Interconnected</b> |                                      |                           |                  |                  |                  |                                           |                   |                  |                  |   |
| 1                              | Industrial - IOCC Firm               | 2,447,893                 | 1,943,765        | 504,128          | -                | 2,447,893                                 | 1,943,765         | 504,128          | -                |   |
| 2                              | Industrial - IOCC Secondary          | 298,948                   | 298,237          | 711              | -                | 298,948                                   | 298,237           | 711              | -                |   |
| 3                              | CFB - Goose Bay Secondary            | 906,159                   | 633,023          | 193,193          | 79,943           | 1,044,016                                 | 729,327           | 222,584          | 92,105           |   |
| <b>Rural</b>                   |                                      |                           |                  |                  |                  |                                           |                   |                  |                  |   |
| 4                              | 1.1Domestic                          | 339,782                   | 133,144          | 19,479           | 187,158          | 391,474                                   | 153,400           | 22,442           | 215,631          |   |
| 5                              | 1.1A Domestic All Electric           | 7,177,377                 | 4,696,660        | 608,234          | 1,872,483        | 8,269,294                                 | 5,411,178         | 700,767          | 2,157,350        |   |
| 6                              | <b>Subtotal Domestic</b>             | <b>7,517,159</b>          | <b>4,829,804</b> | <b>627,713</b>   | <b>2,059,641</b> | <b>8,660,768</b>                          | <b>5,564,577</b>  | <b>723,209</b>   | <b>2,372,981</b> |   |
| 7                              | 2.1General Service 0-10 kW           | 251,718                   | 102,864          | 14,575           | 134,279          | 290,012                                   | 118,513           | 16,792           | 154,707          |   |
| 8                              | 2.2General Service 10-100 kW         | 1,337,908                 | 903,066          | 149,105          | 285,737          | 1,541,448                                 | 1,040,452         | 171,789          | 329,207          |   |
| 9                              | 2.3General Service 110-1,000 kVa     | 1,062,349                 | 798,099          | 213,724          | 50,526           | 1,223,967                                 | 919,516           | 246,239          | 58,212           |   |
| 10                             | 2.4General Service Over 1,000 kVa    | 487,114                   | 386,809          | 99,793           | 512              | 561,220                                   | 445,655           | 114,975          | 589              |   |
| 11                             | 4.1Street and Area Lighting          | 150,395                   | 22,760           | 3,683            | 123,952          | 173,275                                   | 26,222            | 4,244            | 142,809          |   |
| 12                             | <b>Subtotal Rural</b>                | <b>10,806,642</b>         | <b>7,043,402</b> | <b>1,108,594</b> | <b>2,654,646</b> | <b>12,450,690</b>                         | <b>8,114,937</b>  | <b>1,277,248</b> | <b>3,058,506</b> |   |
| 13                             | <b>Total Labrador Interconnected</b> | <b>14,459,642</b>         | <b>9,918,426</b> | <b>1,806,626</b> | <b>2,734,590</b> | <b>16,241,547</b>                         | <b>11,086,265</b> | <b>2,004,671</b> | <b>3,150,611</b> |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                         | 1                          | 2                | 3                   | 4 |
|-------------|------------------------------------|----------------------------|------------------|---------------------|---|
|             |                                    |                            | Units            |                     |   |
|             |                                    | Billing<br>Demands<br>(kW) | Sales<br>(MWh)   | Bills<br>(Total No) |   |
|             | <b>Island Interconnected</b>       |                            |                  |                     |   |
| 1           | Newfoundland Power                 | -                          | 4,423,244        | 12                  |   |
| 2           | Industrial                         | 2,117,789                  | 1,215,119        | 48                  |   |
|             | <b>Rural</b>                       |                            |                  |                     |   |
| 3           | 1.1 Domestic                       | -                          | 105,311          | 146,896             |   |
| 4           | 1.12 Domestic All Electric         | -                          | 104,647          | 80,697              |   |
| 5           | 1.3 Special                        | -                          | 221              | 24                  |   |
| 6           | 2.1 General Service 0-10 kW        | -                          | 15,038           | 22,814              |   |
| 7           | 2.2 General Service 10-100 kW      | 193,518                    | 54,479           | 10,115              |   |
| 8           | 2.3 General Service 110-1,000 kVa  | 165,475                    | 36,953           | 810                 |   |
| 9           | 2.4 General Service Over 1,000 kVa | 86,051                     | 25,860           | 80                  |   |
| 10          | 4.1 Street and Area Lighting       | -                          | 2,935            | 11,789              |   |
| 11          | <b>Subtotal Rural</b>              |                            | <b>345,444</b>   | <b>273,225</b>      |   |
| 12          | <b>Total Island Interconnected</b> |                            | <b>5,983,807</b> | <b>273,285</b>      |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                           | 1                          | 2              | 3                   | 4 |
|-------------|--------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                      | Units                      |                |                     |   |
|             |                                      | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Island Isolated</b>               |                            |                |                     |   |
| 1           | 1.2 Domestic Diesel                  | -                          | 7,036          | 10,962              |   |
| 2           | 1.2G Government Domestic Diesel      | -                          | -              | -                   |   |
| 3           | 1.23 Churches & Schools              | -                          | 553            | 389                 |   |
| 4           | 2.2 General Service 10-100 kW        | -                          | -              | -                   |   |
| 5           | 2.3 General Service 110-1,000 kVa    | 3,341                      | 741            | 12                  |   |
| 6           | 2.5 General Service Diesel           | -                          | 1,770          | 1,473               |   |
| 7           | 2.5G Government General Service Dies | -                          | -              | -                   |   |
| 8           | 4.1 Street and Area Lighting         | -                          | 118            | 458                 |   |
| 9           | 4.1G Government Street Lighting      | -                          | -              | -                   |   |
| 10          | <b>Total Island Isolated</b>         |                            | <b>10,217</b>  | <b>13,294</b>       |   |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Demands, Sales, & Number of Bills

| Line<br>No. | 1<br>Rate Class                      | 2<br>Units                 |                |                     |
|-------------|--------------------------------------|----------------------------|----------------|---------------------|
|             |                                      | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |
|             | <b>Labrador Isolated</b>             |                            |                |                     |
| 1           | 1.2 Domestic Diesel                  | -                          | 18,537         | 23,609              |
| 2           | 1.2G Government Domestic Diesel      | -                          | -              | -                   |
| 3           | 1.23 Churches & Schools              | -                          | 1,600          | 550                 |
| 4           | 2.2 General Service 10-100 kW        | 3,006                      | 511            | 71                  |
| 5           | 2.3 General Service 110-1,000 kVa    | 17,446                     | 2,445          | 92                  |
| 6           | 2.4 General Service over 1000 kVa    | 4,827                      | 1,788          | 10                  |
| 7           | 2.5 General Service Diesel           | -                          | 8,367          | 5,021               |
| 8           | 2.5G Government General Service Dies | -                          | -              | -                   |
| 9           | 4.1 Street and Area Lighting         | -                          | 232            | 875                 |
| 10          | 4.1G Government Street Lighting      | -                          | -              | -                   |
| 11          | <b>Total Labrador Isolated</b>       |                            | <b>33,480</b>  | <b>30,228</b>       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**L'Anse au Loup**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                        | 1                          | 2              | 3                   | 4 |
|-------------|-----------------------------------|----------------------------|----------------|---------------------|---|
|             |                                   | Units                      |                |                     |   |
|             |                                   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>L'Anse au Loup</b>             |                            |                |                     |   |
| 1           | 1.1 Domestic                      | -                          | 7,373          | 8,675               |   |
| 2           | 1.12 Domestic All Electric        | -                          | 315            | 240                 |   |
| 3           | 2.1 General Service 0-10 kW       | -                          | 1,060          | 1,732               |   |
| 4           | 2.2 General Service 10-100 kW     | 10,772                     | 2,764          | 601                 |   |
| 5           | 2.3 General Service 110-1,000 kVa | 5,402                      | 823            | 24                  |   |
| 6           | 4.1 Street and Area Lighting      | -                          | 109            | 372                 |   |
| 7           | <b>Total L'Anse au Loup</b>       |                            | <b>12,445</b>  | <b>11,644</b>       |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                           | Units                      |                |                     |
|-------------|--------------------------------------|----------------------------|----------------|---------------------|
|             |                                      | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |
|             | <b>Labrador Interconnected</b>       |                            |                |                     |
| 1           | Industrial - IOCC Firm               | 761,500                    | 199,098        | 12                  |
| 2           | Industrial - IOCC Secondary          | -                          | 281            | 12                  |
| 3           | CFB - Goose Bay Secondary            | -                          | 80,418         | 12                  |
|             | <b>Rural</b>                         |                            |                |                     |
| 4           | 1.1 Domestic                         | -                          | 7,588          | 8,310               |
| 5           | 1.1A Domestic All Electric           | -                          | 237,006        | 83,140              |
| 6           | <b>Subtotal Domestic</b>             | <b>-</b>                   | <b>244,594</b> | <b>91,450</b>       |
| 7           | 2.1 General Service 0-10 kW          | -                          | 5,676          | 5,333               |
| 8           | 2.2 General Service 10-100 kW        | 292,709                    | 58,297         | 6,917               |
| 9           | 2.3 General Service 110-1,000 kVa    | 290,502                    | 83,317         | 1,185               |
| 10          | 2.4 General Service Over 1,000 kVa   | 98,880                     | 40,667         | 12                  |
| 11          | 4.1 Street and Area Lighting         | -                          | 1,446          | 2,959               |
| 12          | <b>Subtotal Rural</b>                |                            | <b>433,997</b> | <b>107,856</b>      |
| 13          | <b>Total Labrador Interconnected</b> |                            | <b>713,794</b> | <b>107,892</b>      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Interconnected  
Calculation of Firming Up Charge

| Line No. | Description                | 1                 | 2                | 3                        | 4 |
|----------|----------------------------|-------------------|------------------|--------------------------|---|
|          |                            | Total             | Gas Turbine      | Transmission & Terminals |   |
| 1        | Operating & Maintenance    | 5,545,357         | 1,249,422        | 4,295,935                |   |
| 2        | O&M Overhead               | 5,102,707         | 901,540          | 4,201,167                |   |
| 3        | Depreciation               | 6,133,727         | 1,165,543        | 4,968,184                |   |
| 4        | Interest & Margin (Note 1) | 18,719,932        | 151,368          | 18,568,564               |   |
| 5        | <b>Total</b>               | <b>35,501,723</b> | <b>3,467,873</b> | <b>32,033,850</b>        |   |
| 6        | Capacity (kW)              |                   | 118,000          | 1,550,600                |   |
| 7        | Cost (\$/kW)               | \$50.05           | \$29.39          | \$20.66                  |   |
| 8        | Rate (\$/kWh)              | \$0.00901         |                  |                          |   |

Note 1 Gas Turbine Interest & Margin:

Gas Turbine NBV - Sch.2.3A L.9

NBV Including Alloc General, Telecontrol & Feasibility Study

Percent of Total Prod Demand NBV - Schedule 2.3A, L.36, C.3

1,608,367

1,686,736

0.40820%

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Interconnected  
Functional Classification of Revenue Requirement

|                 | 1                                                 | 2           | 3          | 4              | 5            | 6            | 7             | 8         | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17        |  |              |
|-----------------|---------------------------------------------------|-------------|------------|----------------|--------------|--------------|---------------|-----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|-----------|--|--------------|
|                 |                                                   |             |            | Production and |              | Distribution |               |           |                   |          |                 |          |          |          |                 |            |           |  | Specifically |
| Line            |                                                   | Total       | Production | Transmission   | Transmission | Substations  | Primary Lines |           | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned  |  |              |
| No.             | Description                                       | Amount      | Demand     | Energy         | Demand       | Demand       | Demand        | Customer  | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer  |  |              |
|                 |                                                   | (\$)        | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)      | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)      |  |              |
| Expenses        |                                                   |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |  |              |
| 1               | Operating & Maintenance                           | 70,170,832  | 31,358,669 | 16,777,853     | 8,497,102    | 1,122,364    | 5,253,665     | 1,212,339 | 188,557           | 520,305  | 834,822         | 231,362  | 476,203  | 326,102  | 92,229          | 2,732,313  | 546,946   |  |              |
| 2               | Fuels                                             | 98,850,378  | -          | 98,289,525     | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | 560,853   |  |              |
| 3               | Fuels-Diesel                                      | 61,000      | -          | 61,000         | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 4               | Fuels-Gas Turbine                                 | 63,154      | -          | 63,154         | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 5               | Power Purchases -CF(L)Co                          | -           | -          | -              | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 6               | Power Purchases-Other                             | 12,609,557  | 6,061,659  | 6,547,898      | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 7               | Depreciation                                      | 25,174,583  | 10,632,058 | 5,588,563      | 4,968,184    | 437,151      | 1,708,715     | 373,436   | 66,872            | 184,527  | 253,467         | 70,246   | 115,003  | 86,744   | 35,943          | -          | 653,674   |  |              |
| Expense Credits |                                                   |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |  |              |
| 8               | Sundry                                            | (415,011)   | (185,464)  | (99,229)       | (50,254)     | (6,638)      | (31,072)      | (7,170)   | (1,115)           | (3,077)  | (4,937)         | (1,368)  | (2,816)  | (1,929)  | (545)           | (16,160)   | (3,235)   |  |              |
| 9               | Building Rental Income                            | (5,362)     | (2,163)    | (1,851)        | (919)        | (61)         | (183)         | (42)      | (7)               | (18)     | (29)            | (8)      | (17)     | (7)      | (3)             | -          | (54)      |  |              |
| 10              | Tax Refunds                                       | -           | -          | -              | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 11              | Suppliers' Discounts                              | (44,586)    | (19,925)   | (10,661)       | (5,399)      | (713)        | (3,338)       | (770)     | (120)             | (331)    | (530)           | (147)    | (303)    | (207)    | (59)            | (1,736)    | (348)     |  |              |
| 12              | Pole Attachments                                  | (636,213)   | -          | -              | -            | -            | (413,468)     | (114,588) | -                 | -        | (79,705)        | (22,089) | (6,362)  | -        | -               | -          | -         |  |              |
| 13              | Secondary Energy Revenues                         | (433)       | -          | (433)          | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 14              | Wheeling Revenues                                 | (350,957)   | -          | (87,739)       | (263,218)    | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -         |  |              |
| 15              | Misc Customer Revenues                            | (1,686)     | -          | -              | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | (1,686)    | -         |  |              |
| 16              | Application Fees                                  | (21,134)    | -          | -              | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | (21,134)   | -         |  |              |
| 17              | Total Expense Credits                             | (1,475,382) | (207,553)  | (199,913)      | (319,790)    | (7,412)      | (448,061)     | (122,571) | (1,242)           | (3,426)  | (85,202)        | (23,613) | (9,498)  | (2,143)  | (607)           | (40,716)   | (3,636)   |  |              |
| 18              | Subtotal Expenses                                 | 205,454,121 | 47,844,833 | 127,128,079    | 13,145,496   | 1,552,103    | 6,514,319     | 1,463,204 | 254,188           | 701,406  | 1,003,088       | 277,995  | 581,708  | 410,703  | 127,565         | 2,691,597  | 1,757,837 |  |              |
| 19              | Disposal Gain / Loss                              | 1,724,552   | 638,729    | 663,323        | 319,843      | 15,195       | 41,001        | 9,107     | 1,832             | 5,055    | 6,166           | 1,709    | 2,850    | 1,694    | 1,039           | -          | 17,007    |  |              |
| 20              | Subtotal Revenue Reqmt Before Interest and Margin | 207,178,673 | 48,483,562 | 127,791,402    | 13,465,339   | 1,567,298    | 6,555,320     | 1,472,312 | 256,020           | 706,461  | 1,009,254       | 279,704  | 584,558  | 412,397  | 128,604         | 2,691,597  | 1,774,844 |  |              |
| 21              | Interest                                          | 86,587,610  | 32,069,796 | 33,304,643     | 16,058,933   | 762,947      | 2,058,598     | 457,272   | 91,983            | 253,817  | 309,587         | 85,799   | 143,104  | 85,042   | 52,171          | -          | 853,918   |  |              |
| 22              | Margin                                            | 13,531,593  | 5,011,750  | 5,204,727      | 2,509,631    | 119,231      | 321,710       | 71,461    | 14,375            | 39,666   | 48,381          | 13,408   | 22,364   | 13,290   | 8,153           | -          | 133,447   |  |              |
| 23              | Total Revenue Requirement                         | 307,297,875 | 85,565,108 | 166,300,773    | 32,033,903   | 2,449,476    | 8,935,627     | 2,001,044 | 362,378           | 999,944  | 1,367,223       | 378,911  | 750,026  | 510,728  | 188,928         | 2,691,597  | 2,762,209 |  |              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                                             | 2<br>Basis of Functional Classification                                              |
|-------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|
|             | <b>Expenses</b>                                              |                                                                                      |
| 1           | Operating & Maintenance                                      | Carryforward from Sch.2.4 L.23                                                       |
| 2           | Fuels                                                        | Production - Energy, Customer Specific                                               |
| 3           | Fuels-Diesel                                                 | Production - Energy                                                                  |
| 4           | Fuels-Gas Turbine                                            | Production - Energy                                                                  |
| 5           | Power Purchases -CF(L)Co                                     | Production - Demand, Energy split based on Detailed Analysis                         |
| 6           | Power Purchases-Other                                        | Production - Demand, Energy split based on Detailed Analysis                         |
| 7           | Depreciation                                                 | Carryforward from Sch.2.5 L.37                                                       |
|             | <b>Expense Credits</b>                                       |                                                                                      |
| 8           | Sundry                                                       | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23                    |
| 9           | Building Rental Income                                       | Prorated on General Plant - Sch.2.2 L.20                                             |
| 10          | Tax Refunds                                                  | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23                    |
| 11          | Suppliers' Discounts                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23                    |
| 12          | Pole Attachments                                             | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27 |
| 13          | Secondary Energy Revenues                                    | Production - Energy                                                                  |
| 14          | Wheeling Revenues                                            | Transmission - Demand, Energy ratios Sch.4.3 L. 14                                   |
| 15          | Misc Customer Revenues                                       | Accounting - Customer                                                                |
| 16          | Application Fees                                             | Accounting - Customer                                                                |
| 17          | <b>Total Expense Credits</b>                                 |                                                                                      |
| 18          | <b>Subtotal Expenses</b>                                     |                                                                                      |
| 19          | Disposal Gain / Loss                                         | Prorated on Total Net Book Value - Sch.2.3 L.37                                      |
| 20          | <b>Subtotal Revenue Reqmt<br/>Before Interest and Margin</b> |                                                                                      |
| 21          | Interest                                                     | Prorated on Total Net Book Value - Sch.2.3 L.37                                      |
| 22          | Margin                                                       | Prorated on Total Net Book Value - Sch.2.3 L.37                                      |
| 23          | <b>Total Revenue Requirement</b>                             |                                                                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**

**Functional Classification of Plant in Service for the Allocation of O&M Expense**

| Functional Classification of Plant in Service for the Allocation of O&M Expense |                              |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
|---------------------------------------------------------------------------------|------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No.                                                                        | Description                  | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| Production                                                                      |                              |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| Hydraulic:                                                                      |                              |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                                                                               | Bay D'Espoir                 | 181,973,787       | 90,986,894             | 90,986,894               | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                                                                               | Upper Salmon                 | 168,954,968       | 84,477,484             | 84,477,484               | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 3                                                                               | Hinds Lake                   | 79,352,444        | 39,676,222             | 39,676,222               | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                                                                               | Cat Arm                      | 263,458,585       | 131,729,293            | 131,729,293              | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                                                                               | Paradise River               | 21,568,054        | 10,784,027             | 10,784,027               | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 6                                                                               | Other Hydraulic              | 2,113,836         | 1,056,918              | 1,056,918                | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 7                                                                               | Subtotal Hydraulic           | 717,421,674       | 358,710,837            | 358,710,837              | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 8                                                                               | Holyrood                     | 182,547,513       | 136,910,635            | 45,636,878               | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 9                                                                               | Gas Turbines                 | 18,985,563        | 18,985,563             | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                                                                              | Roddickton                   | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                                                                              | Diesel                       | 7,324,924         | 7,324,924              | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                                                                              | Subtotal Production          | 926,279,674       | 521,931,959            | 404,347,715              | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| Transmission                                                                    |                              |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 13                                                                              | Lines                        | 247,651,019       | -                      | 61,066,370               | 183,199,111              | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 3,385,538                           |
| 14                                                                              | Terminal Stations            | 87,265,164        | -                      | 19,063,611               | 57,190,832               | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 11,010,722                          |
| 15                                                                              | Term Stns - Hydraulic        | 31,756,814        | 31,756,814             | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 16                                                                              | Term Stns - Holyrood         | 9,966,428         | 9,966,428              | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 17                                                                              | Term Stns - Gas Tur/Dsl      | 1,183,617         | 1,183,617              | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 18                                                                              | Term Stns - Distribution     | 9,358,485         | -                      | -                        | -                        | 9,358,485               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 19                                                                              | Subtotal Term Stns           | 139,530,508       | 42,906,859             | 19,063,611               | 57,190,832               | 9,358,485               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 11,010,722                          |
| 20                                                                              | Subtotal Transmission        | 387,181,527       | 42,906,859             | 80,129,981               | 240,389,943              | 9,358,485               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 14,396,260                          |
| Distribution                                                                    |                              |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 21                                                                              | Substations                  | 7,934,237         | 1,201,481              | -                        | -                        | 6,732,757               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                                                                              | Land & Land Improvements     | 694,351           | -                      | -                        | -                        | -                       | 462,125                   | 128,073       | -                             | -             | 81,552                      | 22,601        | -                      | -                    | -                             | -                        | -                                   |
| 23                                                                              | Poles                        | 49,125,717        | -                      | -                        | -                        | -                       | 31,926,312                | 8,848,033     | -                             | -             | 6,154,470                   | 1,705,645     | 491,257                | -                    | -                             | -                        | -                                   |
| 24                                                                              | Primary Conductor&Eqpt       | 10,730,234        | -                      | -                        | -                        | -                       | 8,401,773                 | 2,328,461     | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 25                                                                              | Submarine Conductor          | 8,198,056         | -                      | -                        | -                        | -                       | 8,198,056                 | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 26                                                                              | Transformers                 | 6,609,847         | -                      | -                        | -                        | -                       | -                         | -             | 1,758,219                     | 4,851,628     | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 27                                                                              | Secondary Conductor & Equip  | 1,977,464         | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | 1,548,354                   | 429,110       | -                      | -                    | -                             | -                        | -                                   |
| 28                                                                              | Services                     | 3,949,141         | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | 3,949,141              | -                    | -                             | -                        | -                                   |
| 29                                                                              | Meters                       | 1,936,785         | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 1,936,785            | -                             | -                        | -                                   |
| 30                                                                              | Street Lighting              | 860,001           | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | 860,001                       | -                        | -                                   |
| 31                                                                              | Subtotal Distribution        | 92,015,834        | 1,201,481              | -                        | -                        | 6,732,757               | 48,988,267                | 11,304,567    | 1,758,219                     | 4,851,628     | 7,784,376                   | 2,157,356     | 4,440,398              | 1,936,785            | 860,001                       | -                        | -                                   |
| 32                                                                              | Subtl Prod., Trans, & Distrn | 1,405,477,035     | 566,040,298            | 484,477,696              | 240,389,943              | 16,091,242              | 48,988,267                | 11,304,567    | 1,758,219                     | 4,851,628     | 7,784,376                   | 2,157,356     | 4,440,398              | 1,936,785            | 860,001                       | -                        | 14,396,260                          |
| 33                                                                              | General                      | 88,719,909        | 35,730,960             | 30,582,369               | 15,174,473               | 1,015,750               | 3,092,355                 | 713,594       | 110,987                       | 306,256       | 491,384                     | 136,182       | 280,297                | 122,258              | 54,287                        | -                        | 908,755                             |
| 34                                                                              | Telecontrol - Common         | 31,855,372        | 13,850,848             | 11,880,251               | 5,894,787                | 229,487                 | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 35                                                                              | Telecontrol - Specific       | 9,144             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 9,144                               |
| 36                                                                              | Feasibility Studies          | 395,908           | 205,431                | -                        | 190,477                  | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 37                                                                              | Total Plant                  | 1,526,457,367     | 615,827,537            | 526,940,316              | 261,649,680              | 17,336,478              | 52,080,623                | 12,018,161    | 1,869,206                     | 5,157,884     | 8,275,760                   | 2,293,538     | 4,720,695              | 2,059,043            | 914,288                       | -                        | 15,314,155                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**

**Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation**

| Line No. | 1<br>Description                        | 2<br>Basis of Functional Classification                                                          |
|----------|-----------------------------------------|--------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                       |                                                                                                  |
|          | Hydraulic:                              |                                                                                                  |
| 1        | Bay D'Espoir                            | Production - Demand, Energy ratios Sch.4.3 L.1                                                   |
| 2        | Upper Salmon                            | Production - Demand, Energy ratios Sch.4.3 L.2                                                   |
| 3        | Hinds Lake                              | Production - Demand, Energy ratios Sch.4.3 L.3                                                   |
| 4        | Cat Arm                                 | Production - Demand, Energy ratios Sch.4.3 L.4                                                   |
| 5        | Paradise River                          | Production - Demand, Energy ratios Sch.4.3 L.5                                                   |
| 6        | Other Hydraulic                         | Production - Demand, Energy ratios Sch.4.3 L.6                                                   |
| 7        | <b>Subtotal Hydraulic</b>               |                                                                                                  |
| 8        | Holyrood                                | Production - Demand, Energy ratios Sch.4.3 L.7                                                   |
| 9        | Gas Turbines                            | Production - Demand, Energy ratios Sch.4.3 L.8                                                   |
| 10       | Roddickton                              | Production - Demand, Energy ratios Sch.4.3 L.7                                                   |
| 11       | Diesel                                  | Production - Demand, Energy ratios Sch.4.3 L.8                                                   |
| 12       | <b>Subtotal Production</b>              |                                                                                                  |
|          | <b>Transmission</b>                     |                                                                                                  |
| 13       | Lines                                   | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 14       | Terminal Stations                       | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 15       | Term Stns - Hydraulic                   | Production Demand                                                                                |
| 16       | Term Stns - Holyrood                    | Production Demand                                                                                |
| 17       | Term Stns - Gas Tur/Dsl                 | Production Demand                                                                                |
| 18       | Term Stns - Distribution                | Distribution - Substations Demand                                                                |
| 19       | <b>Subtotal Term Stns</b>               |                                                                                                  |
| 20       | <b>Subtotal Transmission</b>            |                                                                                                  |
|          | <b>Distribution</b>                     |                                                                                                  |
| 21       | Substations                             | Production - Demand; Dist Substns - Demand                                                       |
| 22       | Land & Land Improvements                | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.3 L.22                       |
| 23       | Poles                                   | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27             |
| 24       | Primary Conductor&Eqpt                  | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.28             |
| 25       | Submarine Conductor                     | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.29             |
| 26       | Transformers                            | Transformers - Demand, Customer - zero intercept ratios Sch.4.3 L.30                             |
| 27       | Secondary Conductor & Equip             | Secondary - Demand, Customer - zero intercept ratios Sch. 4.3 L. 31                              |
| 28       | Services                                | Services Customer                                                                                |
| 29       | Meters                                  | Meters - Customer                                                                                |
| 30       | Street Lighting                         | Street Lighting - Customer                                                                       |
| 31       | <b>Subtotal Distribution</b>            |                                                                                                  |
| 32       | <b>Subttl Prod., Trans, &amp; Distr</b> |                                                                                                  |
| 33       | General                                 | Prorated on subtotal Production, Transmission, & Distribution plant - L.32                       |
| 34       | Telecontrol - Common                    | Prorated on functionalized Production & Transmission plant - L. 12, 20                           |
| 35       | Telecontrol - Specific                  | Specifically Assigned - Customer                                                                 |
| 36       | Feasibility Studies                     | Production, Transmission - Demand                                                                |
| 37       | <b>Total Plant</b>                      |                                                                                                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**

**Functional Classification of Net Book Value**

|                      |                             | 1                 | 2                      | 3                                       | 4                        | 5                       | Functional Classification of Net Book Value |               |                   |               |                 |               |                        |                      | 16                            | 17                       |                                     |
|----------------------|-----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------------------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No.             | Description                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution                                |               |                   |               |                 |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                      |                             |                   |                        |                                         |                          |                         | Primary Lines                               |               | Line Transformers |               | Secondary Lines |               |                        |                      |                               |                          |                                     |
|                      |                             |                   |                        |                                         |                          |                         | Demand (\$)                                 | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |                          |                                     |
| Production Hydraulic |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| 1                    | Bay D'Espoir                | 147,606,200       | 73,803,100             | 73,803,100                              | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                    | Upper Salmon                | 164,471,176       | 82,235,588             | 82,235,588                              | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 3                    | Hinds Lake                  | 74,512,046        | 37,256,023             | 37,256,023                              | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                    | Cat Arm                     | 259,890,234       | 129,945,117            | 129,945,117                             | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                    | Paradise River              | 21,081,676        | 10,540,838             | 10,540,838                              | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 6                    | Other Small Hydraulic       | 851,042           | 425,521                | 425,521                                 | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 7                    | Subtotal Hydraulic          | 668,412,374       | 334,206,187            | 334,206,187                             | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
|                      |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| 8                    | Holyrood                    | 37,731,269        | 28,298,452             | 9,432,817                               | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 9                    | Gas Turbines                | 1,608,367         | 1,608,367              | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                   | Roddickton                  | -                 | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                   | Diesel                      | 1,303,573         | 1,303,573              | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                   | Subtotal Production         | 709,055,583       | 365,416,579            | 343,639,004                             | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
|                      |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| Transmission         |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| 13                   | Lines                       | 205,986,792       | -                      | 50,881,562                              | 152,644,687              | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | 2,460,543                           |
| 14                   | Terminal Stations           | 67,573,257        | -                      | 14,856,009                              | 44,568,026               | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | 8,149,223                           |
| 15                   | Term Stns - Hydraulic       | 21,466,604        | 21,466,604             | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 16                   | Term Stns - Holyrood        | 5,333,494         | 5,333,494              | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 17                   | Term Stns - Gas Tur/Dsl     | 998,222           | 998,222                | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 18                   | Term Stns - Distribution    | 6,039,954         | -                      | -                                       | -                        | 6,039,954               | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 19                   | Subtotal Term Stns          | 101,411,532       | 27,798,320             | 14,856,009                              | 44,568,026               | 6,039,954               | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | 8,149,223                           |
| 20                   | Subtotal Transmission       | 307,398,324       | 27,798,320             | 65,737,571                              | 197,212,713              | 6,039,954               | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | 10,609,765                          |
|                      |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| Distribution         |                             |                   |                        |                                         |                          |                         |                                             |               |                   |               |                 |               |                        |                      |                               |                          |                                     |
| 21                   | Substations                 | 4,169,819         | 795,622                | -                                       | -                        | 3,374,198               | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                   | Land & Land Improvements    | 456,073           | -                      | -                                       | -                        | -                       | 303,539                                     | 84,123        | -                 | -             | 53,566          | 14,845        | -                      | -                    | -                             | -                        | -                                   |
| 23                   | Poles                       | 24,812,483        | -                      | -                                       | -                        | -                       | 16,125,385                                  | 4,468,976     | -                 | -             | 3,108,508       | 861,489       | 248,125                | -                    | -                             | -                        | -                                   |
| 24                   | Primary Conductor&Eqpt      | 5,200,067         | -                      | -                                       | -                        | -                       | 4,071,652                                   | 1,128,415     | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 25                   | Submarine Conductor         | 5,077,112         | -                      | -                                       | -                        | -                       | 5,077,112                                   | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 26                   | Transformers                | 4,296,505         | -                      | -                                       | -                        | -                       | -                                           | -             | 1,142,870         | 3,153,634     | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 27                   | Secondary Condctr & Equip   | 874,192           | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | 684,493         | 189,700       | -                      | -                    | -                             | -                        | -                                   |
| 28                   | Services                    | 1,529,916         | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | 1,529,916              | -                    | -                             | -                        | -                                   |
| 29                   | Meters                      | 1,056,625         | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | 1,056,625            | -                             | -                        | -                                   |
| 30                   | Street Lighting             | 648,213           | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | 648,213                       | -                        | -                                   |
| 31                   | Subtotal Distribution       | 48,121,005        | 795,622                | -                                       | -                        | 3,374,198               | 25,577,688                                  | 5,681,514     | 1,142,870         | 3,153,634     | 3,846,566       | 1,066,034     | 1,778,041              | 1,056,625            | 648,213                       | -                        | -                                   |
| 32                   | Subttl Prod., Trans. & Dstn | 1,064,574,912     | 394,010,521            | 409,376,575                             | 197,212,713              | 9,414,152               | 25,577,688                                  | 5,681,514     | 1,142,870         | 3,153,634     | 3,846,566       | 1,066,034     | 1,778,041              | 1,056,625            | 648,213                       | -                        | 10,609,765                          |
| 33                   | General                     | 39,402,190        | 14,583,170             | 15,151,901                              | 7,299,263                | 348,438                 | 946,685                                     | 210,285       | 42,300            | 116,723       | 142,370         | 39,456        | 65,809                 | 39,108               | 23,992                        | -                        | 392,690                             |
| 34                   | Telecontrol - Common        | 11,280,627        | 4,409,938              | 4,591,193                               | 2,211,757                | 67,739                  | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 35                   | Telecontrol - Specific      | -                 | -                      | -                                       | -                        | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 36                   | Feasibility Studies         | 395,908           | 205,431                | -                                       | 190,477                  | -                       | -                                           | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 37                   | Total Net Book Value        | 1,115,653,637     | 413,209,060            | 429,119,669                             | 206,914,211              | 9,830,328               | 26,524,373                                  | 5,891,798     | 1,185,170         | 3,270,357     | 3,988,936       | 1,105,491     | 1,843,850              | 1,095,733            | 672,205                       | -                        | 11,002,455                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**

**Functional Classification of Operating & Maintenance Expense**

| Functional Classification of Operating & Maintenance Expense |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
|--------------------------------------------------------------|-----------------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------|---------------|------------------------|---------------|----------------------|---------------|------------------------------|----------------------------|-------------------------------------|-----------|--------------------------------|-------------------------------------------|
| Line No.                                                     | Description                                   | 1<br>Total Amount (\$) | 2<br>Production Demand (\$) | 3<br>Production and Transmission Energy (\$) | 4<br>Transmission Demand (\$) | 5<br>Distribution            |                    |               |                        |               |                      |               |                              |                            |                                     |           | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|                                                              |                                               |                        |                             |                                              |                               | 6<br>Substations Demand (\$) | 7<br>Primary Lines |               | 8<br>Line Transformers |               | 9<br>Secondary Lines |               | 10<br>Services Customer (\$) | 11<br>Meters Customer (\$) | 12<br>Street Lighting Customer (\$) |           |                                |                                           |
|                                                              |                                               |                        |                             |                                              |                               |                              | Demand (\$)        | Customer (\$) | Demand (\$)            | Customer (\$) | Demand (\$)          | Customer (\$) |                              |                            |                                     |           |                                |                                           |
| Production                                                   |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| 1                                                            | Hydraulic                                     | 7,115,085              | 3,557,543                   | 3,557,543                                    | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 2                                                            | Holyrood / Thermal                            | 16,501,090             | 12,375,818                  | 4,125,273                                    | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 3                                                            | Roddickton                                    | 20,492                 | 20,492                      | -                                            | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 4                                                            | Other                                         | 1,249,422              | 1,249,422                   | -                                            | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 5                                                            | Subtotal Production                           | 24,886,089             | 17,203,274                  | 7,682,815                                    | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| Transmission                                                 |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| 6                                                            | Transmission Lines                            | 4,109,932              | -                           | 1,013,437                                    | 3,040,310                     | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | 56,185                         |                                           |
| 7                                                            | Transmission Terminal Stns                    | 3,063,394              | 942,021                     | 418,542                                      | 1,255,625                     | 205,466                      | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | 241,741                        |                                           |
| 8                                                            | Subtotal Transmission                         | 7,173,325              | 942,021                     | 1,431,978                                    | 4,295,935                     | 205,466                      | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | 297,926                        |                                           |
| Distribution                                                 |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| 9                                                            | Other                                         | 5,240,899              | 69,903                      | -                                            | -                             | 391,719                      | 2,850,192          | 657,712       | 102,295                | 282,273       | 452,904              | 125,517       | 258,347                      | -                          | 50,036                              | -         | -                              |                                           |
| 10                                                           | Meters                                        | 182,792                | -                           | -                                            | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | 182,792                    | -                                   | -         | -                              |                                           |
| 11                                                           | Subtotal Distribution                         | 5,423,691              | 69,903                      | -                                            | -                             | 391,719                      | 2,850,192          | 657,712       | 102,295                | 282,273       | 452,904              | 125,517       | 258,347                      | 182,792                    | 50,036                              | -         | -                              |                                           |
| 12                                                           | Subtotal Prod., Transmsn, & Distn             | 37,483,105             | 18,215,198                  | 9,114,794                                    | 4,295,935                     | 597,185                      | 2,850,192          | 657,712       | 102,295                | 282,273       | 452,904              | 125,517       | 258,347                      | 182,792                    | 50,036                              | -         | 297,926                        |                                           |
| 13                                                           | Customer Accounting                           | 1,756,992              | -                           | -                                            | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | 1,756,992 | -                              |                                           |
| Overheads                                                    |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| Plant-Related:                                               |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| 14                                                           | Production                                    | 1,379,125              | 777,097                     | 602,028                                      | -                             | -                            | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 15                                                           | Transmission                                  | 565,111                | 62,625                      | 116,954                                      | 350,861                       | 13,659                       | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | -                              |                                           |
| 16                                                           | Distribution                                  | 483,280                | 6,310                       | -                                            | -                             | 35,361                       | 257,293            | 59,373        | 9,234                  | 25,481        | 40,885               | 11,331        | 23,322                       | 10,172                     | 4,517                               | -         | 21,012                         |                                           |
| 17                                                           | Prod, Trans, Distn Plant                      | 572,246                | 230,466                     | 197,257                                      | 97,876                        | 6,552                        | 19,946             | 4,603         | 716                    | 1,975         | 3,169                | 878           | 1,808                        | 789                        | 350                                 | -         | 5,861                          |                                           |
| 18                                                           | Telecontrol Plant                             | 2,815,302              | 1,223,754                   | 1,049,647                                    | 520,818                       | 20,276                       | -                  | -             | -                      | -             | -                    | -             | -                            | -                          | -                                   | -         | 808                            |                                           |
| 19                                                           | Prod, Trans, Distn and General Plant          | 122,500                | 49,421                      | 42,288                                       | 20,998                        | 1,391                        | 4,180              | 964           | 150                    | 414           | 664                  | 184           | 379                          | 165                        | 73                                  | -         | 1,229                          |                                           |
| 20                                                           | Prod, Trans, Distn, Excl Hydraulic & Holyrood | 1,617,062              | 225,262                     | 256,327                                      | 768,980                       | 51,474                       | 156,708            | 36,162        | 5,624                  | 15,520        | 24,901               | 6,901         | 14,204                       | 6,196                      | 2,751                               | -         | 46,052                         |                                           |
| Expense Related:                                             |                                               |                        |                             |                                              |                               |                              |                    |               |                        |               |                      |               |                              |                            |                                     |           |                                |                                           |
| 21                                                           | Property Insurance                            | 868,707                | 447,779                     | 338,858                                      | 56,923                        | 12,610                       | 2,249              | 519           | 81                     | 223           | 357                  | 99            | 204                          | 89                         | 39                                  | -         | 8,676                          |                                           |
| 22                                                           | Municipal Tax                                 | 724,882                | 9,343                       | -                                            | -                             | 52,354                       | 380,931            | 87,904        | 13,672                 | 37,726        | 60,531               | 16,776        | 34,528                       | 24,430                     | 6,687                               | -         | -                              |                                           |
| 23                                                           | Other Expense Related                         | 21,782,520             | 10,111,415                  | 5,059,701                                    | 2,384,711                     | 331,503                      | 1,582,166          | 365,102       | 56,785                 | 156,692       | 251,411              | 69,676        | 143,411                      | 101,469                    | 27,775                              | 975,321   | 165,381                        |                                           |
| 24                                                           | Subtotal Overheads                            | 30,930,735             | 13,143,471                  | 7,663,059                                    | 4,201,167                     | 525,179                      | 2,403,473          | 554,627       | 86,262                 | 238,032       | 381,919              | 105,845       | 217,856                      | 143,310                    | 42,194                              | 975,321   | 249,020                        |                                           |
| 25                                                           | Total Operating & Maintenance Expenses        | 70,170,832             | 31,358,669                  | 16,777,853                                   | 8,497,102                     | 1,122,364                    | 5,253,665          | 1,212,339     | 188,557                | 520,305       | 834,822              | 231,362       | 476,203                      | 326,102                    | 92,229                              | 2,732,313 | 546,946                        |                                           |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

| Line<br>No. | 1<br>Description                                  | 2<br>Basis of Functional Classification                                                                          |
|-------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
|             | <b>Production</b>                                 |                                                                                                                  |
| 1           | Hydraulic                                         | Production, Transmission - Demand, Energy ratios Sch.4.3 L. 6                                                    |
| 2           | Holyrood / Thermal                                | Production, Transmission - Demand, Energy ratios Sch.4.3 L. 7                                                    |
| 3           | Roddickton                                        | Production - Demand ratios Sch.4.3 L. 7                                                                          |
| 4           | Other                                             | Production - Demand ratios Sch.4.3 L. 8                                                                          |
| 5           | <b>Subtotal Production</b>                        |                                                                                                                  |
|             | <b>Transmission</b>                               |                                                                                                                  |
| 6           | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.13                                                   |
| 7           | Transmission Terminal Stns                        | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.19                                       |
| 8           | <b>Subtotal Transmission</b>                      |                                                                                                                  |
|             | <b>Distribution</b>                               |                                                                                                                  |
| 9           | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.3 L. 36                                                   |
| 10          | Meters                                            | Meters - Customer                                                                                                |
| 11          | <b>Subtotal Distribution</b>                      |                                                                                                                  |
| 12          | <b>Subtotal Prod., Transmsn, &amp; Distn</b>      |                                                                                                                  |
| 13          | Customer Accounting                               | Accounting - Customer                                                                                            |
|             | <b>Overheads</b>                                  |                                                                                                                  |
|             | <b>Plant-Related:</b>                             |                                                                                                                  |
| 14          | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.12                                                           |
| 15          | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L. 20                                                        |
| 16          | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.31                                                         |
| 17          | Prod, Trans, Distn Plant                          | Prorated on Prod., Trans, & Distribution Plant in Service - Sch.2.2 L.32                                         |
| 18          | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.35, 34                                                      |
| 19          | Prod, Trans, Distn and General Plant              | Prorated on Prod., Trans, Dist., & General Plant in Service - Sch.2.2 L.37                                       |
| 20          | Prod, Trans, Distn, Excl Hydraulic & Holyrood     | Prorated on Prod., Trans, Dist., & General Plant in Service, Excl. Hydraulic & Holyrood - Sch.2.2 L.32 - L. 7, 8 |
|             | <b>Expense Related:</b>                           |                                                                                                                  |
| 21          | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 A L.12, 20, 22, 34-36         |
| 22          | Municipal Tax                                     | Prorated on Distribution O&M Expenses - L.11                                                                     |
| 23          | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 12,13                       |
| 24          | <b>Subtotal Overheads</b>                         |                                                                                                                  |
| 25          | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**

**Functional Classification of Depreciation Expense**

|                     | 1                                      | 2                 | 3                      | 4                        | 5                        | Functional Allocation of Depreciation Expense |                  |                |                   |                |                 |               |                        |                      |                               | 16                       | 17                                  |
|---------------------|----------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-----------------------------------------------|------------------|----------------|-------------------|----------------|-----------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No.            | Description                            | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Distribution                                  |                  |                |                   |                |                 |               |                        |                      |                               | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                     |                                        |                   |                        |                          |                          | Substations Demand (\$)                       | Primary Lines    |                | Line Transformers |                | Secondary Lines |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |                          |                                     |
|                     |                                        |                   |                        |                          |                          |                                               | Demand (\$)      | Customer (\$)  | Demand (\$)       | Customer (\$)  | Demand (\$)     | Customer (\$) |                        |                      |                               |                          |                                     |
| <b>Production</b>   |                                        |                   |                        |                          |                          |                                               |                  |                |                   |                |                 |               |                        |                      |                               |                          |                                     |
| <b>Hydraulic</b>    |                                        |                   |                        |                          |                          |                                               |                  |                |                   |                |                 |               |                        |                      |                               |                          |                                     |
| 1                   | Bay D'Espoir                           | 1,274,590         | 637,295                | 637,295                  | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | Upper Salmon                           | 617,625           | 308,812                | 308,812                  | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 3                   | Hinds Lake                             | 311,811           | 155,906                | 155,906                  | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Cat Arm                                | 558,660           | 279,330                | 279,330                  | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | Paradise River                         | 74,639            | 37,320                 | 37,320                   | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 6                   | Other Small Hydraulic                  | 26,458            | 13,229                 | 13,229                   | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 7                   | <b>Subtotal Hydraulic</b>              | <b>2,863,784</b>  | <b>1,431,892</b>       | <b>1,431,892</b>         | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Holyrood                               | 5,197,056         | 3,897,792              | 1,299,264                | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Gas Turbines                           | 793,565           | 793,565                | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Roddickton                             | -                 | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Diesel                                 | 167,546           | 167,546                | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | <b>Subtotal Production</b>             | <b>9,021,951</b>  | <b>6,290,795</b>       | <b>2,731,156</b>         | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                        |                   |                        |                          |                          |                                               |                  |                |                   |                |                 |               |                        |                      |                               |                          |                                     |
| 13                  | Lines                                  | 3,290,589         | -                      | 786,637                  | 2,359,912                | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | 144,039                             |
| 14                  | Terminal Stations                      | 1,747,904         | -                      | 349,367                  | 1,048,100                | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | 350,437                             |
| 15                  | Term Stns - Hydraulic                  | 638,177           | 638,177                | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 16                  | Term Stns - Holyrood                   | 262,219           | 262,219                | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 17                  | Term Stns - Gas Tur/Dsl                | 9,860             | 9,860                  | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 18                  | Term Stns - Distribution               | 123,451           | -                      | -                        | -                        | 123,451                                       | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 19                  | <b>Subtotal Term Stns</b>              | <b>2,781,611</b>  | <b>910,256</b>         | <b>349,367</b>           | <b>1,048,100</b>         | <b>123,451</b>                                | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | <b>350,437</b>                      |
| 20                  | <b>Subtotal Transmission</b>           | <b>6,072,199</b>  | <b>910,256</b>         | <b>1,136,004</b>         | <b>3,408,012</b>         | <b>123,451</b>                                | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | <b>494,476</b>                      |
| <b>Distribution</b> |                                        |                   |                        |                          |                          |                                               |                  |                |                   |                |                 |               |                        |                      |                               |                          |                                     |
| 21                  | Substations                            | 233,565           | 37,834                 | -                        | -                        | 195,731                                       | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Land & Land Improvements               | 20,083            | -                      | -                        | -                        | -                                             | 13,366           | 3,704          | -                 | -              | 2,359           | 654           | -                      | -                    | -                             | -                        | -                                   |
| 23                  | Poles                                  | 1,215,582         | -                      | -                        | -                        | -                                             | 789,995          | 218,938        | -                 | -              | 152,288         | 42,205        | 12,156                 | -                    | -                             | -                        | -                                   |
| 24                  | Primary Conductor&Eqpt                 | 275,784           | -                      | -                        | -                        | -                                             | 215,939          | 59,845         | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 25                  | Submarine Conductor                    | 273,269           | -                      | -                        | -                        | -                                             | 273,269          | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 26                  | Transformers                           | 190,172           | -                      | -                        | -                        | -                                             | -                | -              | 50,586            | 139,587        | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 27                  | Secondary Condctr & Equip              | 47,369            | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | 37,090          | 10,279        | -                      | -                    | -                             | -                        | -                                   |
| 28                  | Services                               | 74,839            | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | 74,839                 | -                    | -                             | -                        | -                                   |
| 29                  | Meters                                 | 65,618            | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | 65,618               | -                             | -                        | -                                   |
| 30                  | Street Lighting                        | 27,190            | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | 27,190                        | -                        | -                                   |
| 31                  | <b>Subtotal Distribution</b>           | <b>2,423,470</b>  | <b>37,834</b>          | -                        | -                        | <b>195,731</b>                                | <b>1,292,568</b> | <b>282,488</b> | <b>50,586</b>     | <b>139,587</b> | <b>191,737</b>  | <b>53,138</b> | <b>86,995</b>          | <b>65,618</b>        | <b>27,190</b>                 | -                        | -                                   |
| 32                  | <b>Subttl Prod., Trans, &amp; Dstn</b> | <b>17,517,621</b> | <b>7,238,885</b>       | <b>3,867,160</b>         | <b>3,408,012</b>         | <b>319,182</b>                                | <b>1,292,568</b> | <b>282,488</b> | <b>50,586</b>     | <b>139,587</b> | <b>191,737</b>  | <b>53,138</b> | <b>86,995</b>          | <b>65,618</b>        | <b>27,190</b>                 | -                        | <b>494,476</b>                      |
| 33                  | General                                | 5,639,864         | 2,330,586              | 1,245,047                | 1,097,222                | 102,762                                       | 416,147          | 90,948         | 16,286            | 44,940         | 61,730          | 17,108        | 28,008                 | 21,126               | 8,754                         | -                        | 159,198                             |
| 34                  | Telecontrol - Common                   | 1,798,386         | 887,024                | 476,356                  | 419,799                  | 15,207                                        | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 35                  | Telecontrol - Specific                 | -                 | -                      | -                        | -                        | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 36                  | Feasibility Studies                    | 218,713           | 175,562                | -                        | 43,151                   | -                                             | -                | -              | -                 | -              | -               | -             | -                      | -                    | -                             | -                        | -                                   |
| 37                  | <b>Total Depreciation Expense</b>      | <b>25,174,583</b> | <b>10,632,058</b>      | <b>5,588,563</b>         | <b>4,968,184</b>         | <b>437,151</b>                                | <b>1,708,715</b> | <b>373,436</b> | <b>66,872</b>     | <b>184,527</b> | <b>253,467</b>  | <b>70,246</b> | <b>115,003</b>         | <b>86,744</b>        | <b>35,943</b>                 | -                        | <b>653,674</b>                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Basis of Allocation to Classes of Service**

|                                  | 1               | 2                    | 3                      | 4         | 5                      | 6                     | 7             | 8        | 9                 | 10       | 11              | 12               | 13                   | 14                 | 15                          | 16 | 17                     |                                      |
|----------------------------------|-----------------|----------------------|------------------------|-----------|------------------------|-----------------------|---------------|----------|-------------------|----------|-----------------|------------------|----------------------|--------------------|-----------------------------|----|------------------------|--------------------------------------|
| Line<br>No. Description          | Total<br>Amount | Production<br>Demand | Production and         |           | Transmission<br>Demand | Distribution          |               |          |                   |          |                 |                  |                      |                    |                             |    | Accounting<br>Customer | Specifically<br>Assigned<br>Customer |
|                                  |                 |                      | Transmission<br>Energy |           |                        | Substations<br>Demand | Primary Lines |          | Line Transformers |          | Secondary Lines |                  | Services<br>Customer | Meters<br>Customer | Street Lighting<br>Customer |    |                        |                                      |
|                                  |                 |                      |                        |           |                        |                       | Demand        | Customer | Demand            | Customer | Demand          | Customer         |                      |                    |                             |    |                        |                                      |
|                                  |                 | (AED kW)             | (MWh @ Gen)            | (AED kW)  | (CP kW)                | (CP kW)               | (Rural Cust)  | (CP kW)  | (Rural Cust)      | (CP kW)  | (Rural Cust)    | (Wtd Rural Cust) |                      |                    | (Rural Cust)                |    |                        |                                      |
| Amounts                          |                 |                      |                        |           |                        |                       |               |          |                   |          |                 |                  |                      |                    |                             |    |                        |                                      |
| 1 Newfoundland Power             | -               | 807,731              | 4,531,400              | 780,325   | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| 2 Industrial                     | -               | 174,999              | 1,249,241              | 168,777   | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| Rural                            |                 |                      |                        |           |                        |                       |               |          |                   |          |                 |                  |                      |                    |                             |    |                        |                                      |
| 3 1.1 Domestic                   | -               | 26,411               | 117,811                | 25,549    | 23,942                 | 22,636                | 12,241        | 22,264   | 12,241            | 21,596   | 12,241          | 12,241           | 12,241               | -                  | 12,241                      | -  | -                      |                                      |
| 4 1.12 Domestic All Electric     | -               | 31,031               | 117,067                | 30,042    | 29,394                 | 27,790                | 6,725         | 27,333   | 6,725             | 26,513   | 6,725           | 6,725            | 6,725                | -                  | 6,725                       | -  | -                      |                                      |
| 5 1.3 Special                    | -               | 67                   | 247                    | 65        | 61                     | 57                    | 2             | 56       | 2                 | 55       | 2               | 2                | 2                    | -                  | 2                           | -  | -                      |                                      |
| 6 2.1 GS 0-10 kW                 | -               | 4,307                | 16,823                 | 4,169     | 2,662                  | 2,517                 | 1,901         | 2,475    | 1,901             | 2,401    | 1,901           | 3,802            | 3,802                | -                  | 1,901                       | -  | -                      |                                      |
| 7 2.2 GS 10-100 kW               | -               | 11,698               | 60,945                 | 11,306    | 7,944                  | 7,511                 | 843           | 7,387    | 843               | 7,165    | 843             | 6,804            | 6,804                | -                  | 843                         | -  | -                      |                                      |
| 8 2.3 GS 110-1,000 kVa           | -               | 9,115                | 41,221                 | 8,817     | 4,129                  | 3,904                 | 68            | 3,318    | 68                | 3,218    | 68              | 536              | 579                  | -                  | 68                          | -  | -                      |                                      |
| 9 2.4 GS Over 1,000 kVa          | -               | 6,959                | 28,706                 | 6,734     | 2,902                  | 2,744                 | 7             | 1,699    | 7                 | 1,648    | 7               | 40               | 57                   | -                  | 7                           | -  | -                      |                                      |
| 10 4.1 Street and Area Lighting  | -               | 695                  | 3,284                  | 672       | 717                    | 678                   | 982           | 667      | 982               | 647      | 982             | -                | -                    | 1                  | 982                         | -  | -                      |                                      |
| 11 Subtotal Rural                | -               | 90,283               | 386,104                | 87,353    | 71,751                 | 67,837                | 22,769        | 65,200   | 22,769            | 63,243   | 22,769          | 30,150           | 30,210               | 1                  | 22,769                      | -  | -                      |                                      |
| 12 Total                         | -               | 1,073,013            | 6,166,746              | 1,036,455 | 71,751                 | 67,837                | 22,769        | 65,200   | 22,769            | 63,243   | 22,769          | 30,150           | 30,210               | 1                  | 22,769                      | -  | -                      |                                      |
| Ratios Including Alloc. To Rural |                 |                      |                        |           |                        |                       |               |          |                   |          |                 |                  |                      |                    |                             |    |                        |                                      |
| 13 Newfoundland Power            | -               | 0.7528               | 0.7348                 | 0.7529    | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| 14 Industrial                    | -               | 0.1631               | 0.2026                 | 0.1628    | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| Rural                            |                 |                      |                        |           |                        |                       |               |          |                   |          |                 |                  |                      |                    |                             |    |                        |                                      |
| 15 1.1 Domestic                  | -               | 0.0246               | 0.0191                 | 0.0247    | 0.3337                 | 0.3337                | 0.5376        | 0.3415   | 0.5376            | 0.3415   | 0.5376          | 0.4060           | 0.4052               | -                  | 0.5376                      | -  | -                      |                                      |
| 16 1.12 Domestic All Electric    | -               | 0.0289               | 0.0190                 | 0.0290    | 0.4097                 | 0.4097                | 0.2953        | 0.4192   | 0.2953            | 0.4192   | 0.2953          | 0.2230           | 0.2226               | -                  | 0.2953                      | -  | -                      |                                      |
| 17 1.3 Special                   | -               | 0.0001               | 0.0000                 | 0.0001    | 0.0008                 | 0.0008                | 0.0001        | 0.0009   | 0.0001            | 0.0009   | 0.0001          | 0.0001           | 0.0001               | -                  | 0.0001                      | -  | -                      |                                      |
| 18 2.1 GS 0-10 kW                | -               | 0.0040               | 0.0027                 | 0.0040    | 0.0371                 | 0.0371                | 0.0835        | 0.0380   | 0.0835            | 0.0380   | 0.0835          | 0.1261           | 0.1259               | -                  | 0.0835                      | -  | -                      |                                      |
| 19 2.2 GS 10-100 kW              | -               | 0.0109               | 0.0099                 | 0.0109    | 0.1107                 | 0.1107                | 0.0370        | 0.1133   | 0.0370            | 0.1133   | 0.0370          | 0.2257           | 0.2252               | -                  | 0.0370                      | -  | -                      |                                      |
| 20 2.3 GS 110-1,000 kVa          | -               | 0.0085               | 0.0067                 | 0.0085    | 0.0575                 | 0.0575                | 0.0030        | 0.0509   | 0.0030            | 0.0509   | 0.0030          | 0.0178           | 0.0192               | -                  | 0.0030                      | -  | -                      |                                      |
| 21 2.4 GS Over 1,000 kVa         | -               | 0.0065               | 0.0047                 | 0.0065    | 0.0404                 | 0.0404                | 0.0003        | 0.0261   | 0.0003            | 0.0261   | 0.0003          | 0.0013           | 0.0019               | -                  | 0.0003                      | -  | -                      |                                      |
| 22 4.1 Street and Area Lighting  | -               | 0.0006               | 0.0005                 | 0.0006    | 0.0100                 | 0.0100                | 0.0431        | 0.0102   | 0.0431            | 0.0102   | 0.0431          | -                | -                    | 1.0000             | 0.0431                      | -  | -                      |                                      |
| 23 Subtotal Rural                | -               | 0.0841               | 0.0626                 | 0.0843    | 1.0000                 | 1.0000                | 1.0000        | 1.0000   | 1.0000            | 1.0000   | 1.0000          | 1.0000           | 1.0000               | 1.0000             | 1.0000                      | -  | -                      |                                      |
| 24 Total                         | -               | 1.0000               | 1.0000                 | 1.0000    | 1.0000                 | 1.0000                | 1.0000        | 1.0000   | 1.0000            | 1.0000   | 1.0000          | 1.0000           | 1.0000               | 1.0000             | 1.0000                      | -  | -                      |                                      |
| Ratios Excluding Alloc. To Rural |                 |                      |                        |           |                        |                       |               |          |                   |          |                 |                  |                      |                    |                             |    |                        |                                      |
| 25 Newfoundland Power            | -               | 0.8219               | 0.7839                 | 0.8222    | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| 26 Industrial                    | -               | 0.1781               | 0.2161                 | 0.1778    | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| 27 Rural                         | -               | -                    | -                      | -         | -                      | -                     | -             | -        | -                 | -        | -               | -                | -                    | -                  | -                           | -  | -                      |                                      |
| 28 Total                         | -               | 1.0000               | 1.0000                 | 1.0000    | 1.0000                 | 1.0000                | 1.0000        | 1.0000   | 1.0000            | 1.0000   | 1.0000          | 1.0000           | 1.0000               | 1.0000             | 1.0000                      | -  | -                      |                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|                                                      | 1                            | 2                 | 3                      | 4                        | 5                        | 6                       | 7                         | 8         | 9                             | 10      | 11                          | 12      | 13                     | 14                   | 15                            | 16        | 17                       |                                     |
|------------------------------------------------------|------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|-----------|-------------------------------|---------|-----------------------------|---------|------------------------|----------------------|-------------------------------|-----------|--------------------------|-------------------------------------|
| Line No.                                             | Description                  | Total Amount (\$) | Production Demand (\$) | Production and           | Transmission Demand (\$) | Distribution            |                           |           |                               |         |                             |         |                        |                      |                               |           | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                                                      |                              |                   |                        | Transmission Energy (\$) |                          | Substations Demand (\$) | Primary Lines Demand (\$) |           | Line Transformers Demand (\$) |         | Secondary Lines Demand (\$) |         | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |           |                          |                                     |
| Allocated Revenue Requirement Excl Interest & Margin |                              |                   |                        |                          |                          |                         |                           |           |                               |         |                             |         |                        |                      |                               |           |                          |                                     |
| 1                                                    | Newfoundland Power           | 141,611,545       | 36,496,916             | 93,902,680               | 10,137,771               | -                       | -                         | -         | -                             | -       | -                           | -       | -                      | -                    | -                             | -         | 1,074,178                |                                     |
| 2                                                    | Industrial                   | 36,688,238        | 7,907,260              | 25,887,611               | 2,192,701                | -                       | -                         | -         | -                             | -       | -                           | -       | -                      | -                    | -                             | -         | 700,666                  |                                     |
|                                                      | Rural                        |                   |                        |                          |                          |                         |                           |           |                               |         |                             |         |                        |                      |                               |           |                          |                                     |
| 3                                                    | 1.1 Domestic                 | 10,282,450        | 1,193,374              | 2,441,360                | 331,921                  | 522,987                 | 2,187,425                 | 791,570   | 87,425                        | 379,820 | 344,636                     | 150,379 | 237,342                | 167,108              | -                             | 1,447,103 | -                        |                                     |
| 4                                                    | 1.12 Domestic All Electric   | 9,819,587         | 1,402,138              | 2,425,947                | 390,294                  | 642,061                 | 2,685,457                 | 434,847   | 107,329                       | 208,653 | 423,103                     | 82,611  | 130,383                | 91,801               | -                             | 794,963   | -                        |                                     |
| 5                                                    | 1.3 Special                  | 17,432            | 3,014                  | 5,113                    | 839                      | 1,323                   | 5,532                     | 129       | 221                           | 62      | 872                         | 25      | 39                     | 27                   | -                             | 236       | -                        |                                     |
| 6                                                    | 2.1 GS 0-10 kW               | 1,502,430         | 194,603                | 348,625                  | 54,161                   | 58,147                  | 243,203                   | 122,936   | 9,720                         | 58,989  | 38,318                      | 23,355  | 73,722                 | 51,906               | -                             | 224,746   | -                        |                                     |
| 7                                                    | 2.2 GS 10-100 kW             | 3,396,469         | 528,547                | 1,262,951                | 146,882                  | 173,522                 | 725,766                   | 54,506    | 29,007                        | 26,154  | 114,347                     | 10,355  | 131,911                | 92,876               | -                             | 99,645    | -                        |                                     |
| 8                                                    | 2.3 GS 110-1,000 kVa         | 1,946,019         | 411,877                | 854,215                  | 114,550                  | 90,194                  | 377,241                   | 4,365     | 13,029                        | 2,094   | 51,361                      | 829     | 10,387                 | 7,898                | -                             | 7,979     | -                        |                                     |
| 9                                                    | 2.4 GS Over 1,000 kVa        | 1,361,372         | 314,443                | 594,855                  | 87,492                   | 63,396                  | 265,159                   | 431       | 6,670                         | 207     | 26,293                      | 82      | 776                    | 780                  | -                             | 788       | -                        |                                     |
| 10                                                   | 4.1 Street and Area Lighting | 553,131           | 31,391                 | 68,044                   | 8,728                    | 15,669                  | 65,536                    | 63,527    | 2,619                         | 30,482  | 10,325                      | 12,069  | -                      | -                    | 128,604                       | 116,136   | -                        |                                     |
| 11                                                   | Subtotal Rural               | 28,878,889        | 4,079,386              | 8,001,112                | 1,134,867                | 1,567,298               | 6,555,320                 | 1,472,312 | 256,020                       | 706,461 | 1,009,254                   | 279,704 | 584,558                | 412,397              | 128,604                       | 2,691,597 | -                        |                                     |
| 12                                                   | Total                        | 207,178,673       | 48,483,562             | 127,791,402              | 13,465,339               | 1,567,298               | 6,555,320                 | 1,472,312 | 256,020                       | 706,461 | 1,009,254                   | 279,704 | 584,558                | 412,397              | 128,604                       | 2,691,597 | 1,774,844                |                                     |
| Allocated Interest                                   |                              |                   |                        |                          |                          |                         |                           |           |                               |         |                             |         |                        |                      |                               |           |                          |                                     |
| 13                                                   | Newfoundland Power           | 61,444,830        | 24,141,144             | 24,472,658               | 12,090,434               | -                       | -                         | -         | -                             | -       | -                           | -       | -                      | -                    | -                             | -         | 740,595                  |                                     |
| 14                                                   | Industrial                   | 14,705,437        | 5,230,313              | 6,746,758                | 2,615,042                | -                       | -                         | -         | -                             | -       | -                           | -       | -                      | -                    | -                             | -         | 113,323                  |                                     |
|                                                      | Rural                        |                   |                        |                          |                          |                         |                           |           |                               |         |                             |         |                        |                      |                               |           |                          |                                     |
| 15                                                   | 1.1 Domestic                 | 3,421,119         | 789,365                | 636,261                  | 395,853                  | 254,585                 | 686,927                   | 245,846   | 31,410                        | 136,462 | 105,717                     | 46,129  | 58,103                 | 34,460               | -                             | -         | -                        |                                     |
| 16                                                   | 1.12 Domestic All Electric   | 3,635,601         | 927,454                | 632,244                  | 465,469                  | 312,549                 | 843,327                   | 135,055   | 38,561                        | 74,965  | 129,786                     | 25,341  | 31,919                 | 18,930               | -                             | -         | -                        |                                     |
| 17                                                   | 1.3 Special                  | 7,140             | 1,994                  | 1,333                    | 1,001                    | 644                     | 1,737                     | 40        | 79                            | 22      | 267                         | 8       | 9                      | 6                    | -                             | -         | -                        |                                     |
| 18                                                   | 2.1 GS 0-10 kW               | 499,388           | 128,721                | 90,858                   | 64,593                   | 28,305                  | 76,374                    | 38,182    | 3,492                         | 21,193  | 11,754                      | 7,164   | 18,048                 | 10,704               | -                             | -         | -                        |                                     |
| 19                                                   | 2.2 GS 10-100 kW             | 1,292,760         | 349,611                | 329,147                  | 175,173                  | 84,469                  | 227,916                   | 16,929    | 10,422                        | 9,397   | 35,076                      | 3,176   | 32,293                 | 19,152               | -                             | -         | -                        |                                     |
| 20                                                   | 2.3 GS 110-1,000 kVa         | 821,018           | 272,439                | 222,623                  | 136,614                  | 43,906                  | 118,467                   | 1,356     | 4,681                         | 752     | 15,755                      | 254     | 2,543                  | 1,629                | -                             | -         | -                        |                                     |
| 21                                                   | 2.4 GS Over 1,000 kVa        | 592,540           | 207,990                | 155,029                  | 104,344                  | 30,861                  | 83,269                    | 134       | 2,396                         | 74      | 8,065                       | 25      | 190                    | 161                  | -                             | -         | -                        |                                     |
| 22                                                   | 4.1 Street and Area Lighting | 167,778           | 20,764                 | 17,733                   | 10,410                   | 7,627                   | 20,580                    | 19,730    | 941                           | 10,952  | 3,167                       | 3,702   | -                      | -                    | 52,171                        | -         | -                        |                                     |
| 23                                                   | Subtotal Rural               | 10,437,343        | 2,698,339              | 2,085,228                | 1,353,457                | 762,947                 | 2,058,598                 | 457,272   | 91,983                        | 253,817 | 309,587                     | 85,799  | 143,104                | 85,042               | 52,171                        | -         | -                        |                                     |
| 24                                                   | Total                        | 86,587,610        | 32,069,796             | 33,304,643               | 16,058,933               | 762,947                 | 2,058,598                 | 457,272   | 91,983                        | 253,817 | 309,587                     | 85,799  | 143,104                | 85,042               | 52,171                        | -         | 853,918                  |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|      | 1                                   | 2           | 3          | 4              | 5            | 6            | 7             | 8         | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17        |              |
|------|-------------------------------------|-------------|------------|----------------|--------------|--------------|---------------|-----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|-----------|--------------|
|      |                                     |             |            | Production and |              | Distribution |               |           |                   |          |                 |          |          |          |                 |            |           | Specifically |
| Line |                                     | Total       | Production | Transmission   | Transmission | Substations  | Primary Lines |           | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned  |              |
| No.  | Description                         | Amount      | Demand     | Energy         | Demand       | Demand       | Demand        | Customer  | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer  |              |
|      |                                     | (\$)        | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)      | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)      |              |
|      | Allocated Margin                    |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |              |
| 25   | Newfoundland Power                  | 9,602,372   | 3,772,689  | 3,824,497      | 1,889,449    | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | 115,737   |              |
| 26   | Industrial                          | 2,298,112   | 817,374    | 1,054,359      | 408,669      | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | 17,710    |              |
|      | Rural                               |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |              |
| 27   | 1.1 Domestic                        | 534,640     | 123,359    | 99,432         | 61,863       | 39,786       | 107,350       | 38,420    | 4,909             | 21,326   | 16,521          | 7,209    | 9,080    | 5,385    | -               | -          | -         |              |
| 28   | 1.12 Domestic All Electric          | 568,158     | 144,939    | 98,805         | 72,742       | 48,844       | 131,792       | 21,106    | 6,026             | 11,715   | 20,283          | 3,960    | 4,988    | 2,958    | -               | -          | -         |              |
| 29   | 1.3 Special                         | 1,116       | 312        | 208            | 156          | 101          | 271           | 6         | 12                | 3        | 42              | 1        | 1        | 1        | -               | -          | -         |              |
| 30   | 2.1 GS 0-10 kW                      | 78,043      | 20,116     | 14,199         | 10,094       | 4,423        | 11,935        | 5,967     | 546               | 3,312    | 1,837           | 1,120    | 2,820    | 1,673    | -               | -          | -         |              |
| 31   | 2.2 GS 10-100 kW                    | 202,028     | 54,636     | 51,438         | 27,375       | 13,201       | 35,618        | 2,646     | 1,629             | 1,468    | 5,482           | 496      | 5,047    | 2,993    | -               | -          | -         |              |
| 32   | 2.3 GS 110-1,000 kVa                | 128,306     | 42,576     | 34,791         | 21,350       | 6,861        | 18,514        | 212       | 732               | 118      | 2,462           | 40       | 397      | 255      | -               | -          | -         |              |
| 33   | 2.4 GS Over 1,000 kVa               | 92,600      | 32,504     | 24,227         | 16,306       | 4,823        | 13,013        | 21        | 374               | 12       | 1,260           | 4        | 30       | 25       | -               | -          | -         |              |
| 34   | 4.1 Street and Area Lighting        | 26,220      | 3,245      | 2,771          | 1,627        | 1,192        | 3,216         | 3,083     | 147               | 1,711    | 495             | 579      | -        | -        | 8,153           | -          | -         |              |
| 35   | Subtotal Rural                      | 1,631,110   | 421,686    | 325,872        | 211,513      | 119,231      | 321,710       | 71,461    | 14,375            | 39,666   | 48,381          | 13,408   | 22,364   | 13,290   | 8,153           | -          | -         |              |
| 36   | Total                               | 13,531,593  | 5,011,750  | 5,204,727      | 2,509,631    | 119,231      | 321,710       | 71,461    | 14,375            | 39,666   | 48,381          | 13,408   | 22,364   | 13,290   | 8,153           | -          | 133,447   |              |
|      | Total Allocated Revenue Requirement |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |              |
| 37   | Newfoundland Power                  | 212,658,748 | 64,410,750 | 122,199,834    | 24,117,654   | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | 1,930,510 |              |
| 38   | Industrial                          | 53,691,786  | 13,954,948 | 33,688,728     | 5,216,412    | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | 831,698   |              |
|      | Rural                               |             |            |                |              |              |               |           |                   |          |                 |          |          |          |                 |            |           |              |
| 39   | 1.1 Domestic                        | 14,238,208  | 2,106,098  | 3,177,053      | 789,637      | 817,358      | 2,981,702     | 1,075,836 | 123,743           | 537,607  | 466,874         | 203,717  | 304,525  | 206,953  | -               | 1,447,103  | -         |              |
| 40   | 1.12 Domestic All Electric          | 14,023,346  | 2,474,531  | 3,156,996      | 928,505      | 1,003,454    | 3,660,576     | 591,008   | 151,917           | 295,333  | 573,171         | 111,911  | 167,290  | 113,689  | -               | 794,963    | -         |              |
| 41   | 1.3 Special                         | 25,687      | 5,319      | 6,654          | 1,996        | 2,067        | 7,540         | 176       | 313               | 88       | 1,181           | 33       | 50       | 34       | -               | 236        | -         |              |
| 42   | 2.1 GS 0-10 kW                      | 2,079,861   | 343,440    | 453,682        | 128,847      | 90,876       | 331,513       | 167,085   | 13,758            | 83,494   | 51,908          | 31,639   | 94,590   | 64,283   | -               | 224,746    | -         |              |
| 43   | 2.2 GS 10-100 kW                    | 4,891,256   | 932,794    | 1,643,536      | 349,431      | 271,192      | 989,300       | 74,080    | 41,057            | 37,019   | 154,904         | 14,028   | 169,250  | 115,021  | -               | 99,645     | -         |              |
| 44   | 2.3 GS 110-1,000 kVa                | 2,895,342   | 726,892    | 1,111,629      | 272,514      | 140,961      | 514,221       | 5,932     | 18,441            | 2,964    | 69,578          | 1,123    | 13,327   | 9,781    | -               | 7,979      | -         |              |
| 45   | 2.4 GS Over 1,000 kVa               | 2,046,512   | 554,937    | 774,112        | 208,142      | 99,080       | 361,442       | 586       | 9,441             | 293      | 35,619          | 111      | 995      | 966      | -               | 788        | -         |              |
| 46   | 4.1 Street and Area Lighting        | 747,128     | 55,400     | 88,549         | 20,765       | 24,488       | 89,332        | 86,340    | 3,707             | 43,145   | 13,988          | 16,349   | -        | -        | 188,928         | 116,136    | -         |              |
| 47   | Subtotal Rural                      | 40,947,341  | 7,199,411  | 10,412,211     | 2,699,837    | 2,449,476    | 8,935,627     | 2,001,044 | 362,378           | 999,944  | 1,367,223       | 378,911  | 750,026  | 510,728  | 188,928         | 2,691,597  | -         |              |
| 48   | Total                               | 307,297,875 | 85,565,108 | 166,300,773    | 32,033,903   | 2,449,476    | 8,935,627     | 2,001,044 | 362,378           | 999,944  | 1,367,223       | 378,911  | 750,026  | 510,728  | 188,928         | 2,691,597  | 2,762,209 |              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Allocation of Specifically Assigned Amounts to Classes of Service**

|                               | 1                             | 2         | 3            | 4          | 5          | 6        | 7            | 8         | 9             | 10      | 11              | 12          | 13           | 14        | 15         | 16         |
|-------------------------------|-------------------------------|-----------|--------------|------------|------------|----------|--------------|-----------|---------------|---------|-----------------|-------------|--------------|-----------|------------|------------|
|                               |                               |           | OM&A         |            |            |          | Depreciation |           |               |         | Expense Credits |             |              | Subtotal  |            |            |
| Line                          |                               |           | Transmission |            | Admin &    |          | Transmission |           | Telecontrol & |         | Rental          |             |              | Subtotal  |            |            |
| No.                           | Description                   | Total     | Lines        | Terminals  | General    | Other    | Lines        | Terminals | Feas. Study   | General | Income          | Other       | Gains/Losses | Margin    | Interest   | Margin     |
|                               |                               | Amount    | (\$)         | (\$)       | (\$)       | (\$)     | (\$)         | (\$)      | (\$)          | (\$)    | (\$)            | (\$)        | (\$)         | (\$)      | (\$)       | (\$)       |
|                               |                               | (\$)      | (Plant)      | (Plant)    | (C2 & C3)  | (Direct) | (Plant)      | (Plant)   | (Plant)       |         | (Plant)         | ( C4 + C5 ) | (NBV)        |           | (NBV)      | (NBV)      |
| Basis of Allocation - Amounts |                               |           |              |            |            |          |              |           |               |         |                 |             |              |           |            |            |
| 1                             | Newfoundland Power Industrial |           | 3,262,612    | 9,240,139  | 12,502,750 | -        | -            | -         | -             | 445,783 | 9,240,139       | 12,502,750  | 9,201,751    | -         | 9,201,751  | 9,201,751  |
| 2                             | Abitibi Price - Stephenville  |           | 122,926      | 489,197    | 612,123    | -        | -            | -         | -             | 12,406  | 489,197         | 612,123     | 520,440      | -         | 520,440    | 520,440    |
| 3                             | Abitibi Price - Grand Falls   |           | -            | 45,353     | 45,353     | -        | -            | -         | -             | 287     | 45,353          | 45,353      | 22,287       | -         | 22,287     | 22,287     |
| 4                             | Comer Brook P& P - CB         |           | -            | 16,138     | 16,138     | -        | -            | -         | -             | 124     | 16,138          | 16,138      | 15,193       | -         | 15,193     | 15,193     |
| 5                             | Comer Brook P& P - DL         |           | -            | 23,100     | 23,100     | -        | -            | -         | -             | 136     | 23,100          | 23,100      | 22,191       | -         | 22,191     | 22,191     |
| 6                             | North Atlantic Refining Ltd.  |           | -            | 1,196,795  | 1,196,795  | -        | -            | -         | -             | 35,740  | 1,196,795       | 1,196,795   | 827,903      | -         | 827,903    | 827,903    |
| 7                             | Subtotal Industrial           |           | 122,926      | 1,770,583  | 1,893,509  | -        | -            | -         | -             | 48,693  | 1,770,583       | 1,893,509   | 1,408,014    | -         | 1,408,014  | 1,408,014  |
| 8                             | Total                         |           | 3,385,538    | 11,010,722 | 14,396,260 | -        | -            | -         | -             | 494,476 | 11,010,722      | 14,396,260  | 10,609,765   | -         | 10,609,765 | 10,609,765 |
| Basis of Allocation - Ratios  |                               |           |              |            |            |          |              |           |               |         |                 |             |              |           |            |            |
| 9                             | Newfoundland Power Industrial |           | 0.9637       | 0.8392     | 0.8685     | -        | -            | -         | -             | 0.9015  | 0.8392          | 0.8685      | 0.8673       | -         | 0.8673     | 0.8673     |
| 10                            | Abitibi Price - Stephenville  |           | 0.0363       | 0.0444     | 0.0425     | -        | -            | -         | -             | 0.0251  | 0.0444          | 0.0425      | 0.0491       | -         | 0.0491     | 0.0491     |
| 11                            | Abitibi Price - Grand Falls   |           | -            | 0.0041     | 0.0032     | -        | -            | -         | -             | 0.0006  | 0.0041          | 0.0032      | 0.0021       | -         | 0.0021     | 0.0021     |
| 12                            | Comer Brook P& P - CB         |           | -            | 0.0015     | 0.0011     | -        | -            | -         | -             | 0.0003  | 0.0015          | 0.0011      | 0.0014       | -         | 0.0014     | 0.0014     |
| 13                            | Comer Brook P& P - DL         |           | -            | 0.0021     | 0.0016     | -        | -            | -         | -             | 0.0003  | 0.0021          | 0.0016      | 0.0021       | -         | 0.0021     | 0.0021     |
| 14                            | North Atlantic Refining Ltd.  |           | -            | 0.1087     | 0.0831     | -        | -            | -         | -             | 0.0723  | 0.1087          | 0.0831      | 0.0780       | -         | 0.0780     | 0.0780     |
| 15                            | Subtotal Industrial           |           | 0.0363       | 0.1608     | 0.1315     | -        | -            | -         | -             | 0.0985  | 0.1608          | 0.1315      | 0.1327       | -         | 0.1327     | 0.1327     |
| 16                            | Total                         |           | 1.0000       | 1.0000     | 1.0000     | -        | -            | -         | -             | 1.0000  | 1.0000          | 1.0000      | 1.0000       | -         | 1.0000     | 1.0000     |
| Amounts Allocated             |                               |           |              |            |            |          |              |           |               |         |                 |             |              |           |            |            |
| 17                            | Newfoundland Power Industrial | 1,930,510 | 54,145       | 202,867    | 216,267    | -        | 142,964      | 302,819   | -             | 143,522 | (45)            | (3,111)     | 14,750       | 1,074,178 | 740,595    | 115,737    |
| 18                            | Abitibi Price - Stephenville  | 88,881    | 2,040        | 10,740     | 10,588     | -        | 1,075        | 11,331    | -             | 3,994   | (2)             | (152)       | 834          | 40,448    | 41,887     | 6,546      |
| 19                            | Abitibi Price - Grand Falls   | 27,034    | -            | 996        | 785        | 22,776   | -            | 287       | -             | 92      | (0)             | (11)        | 36           | 24,960    | 1,794      | 280        |
| 20                            | Comer Brook P& P - CB         | 2,232     | -            | 354        | 279        | -        | -            | 124       | -             | 40      | (0)             | (4)         | 24           | 818       | 1,223      | 191        |
| 21                            | Comer Brook P& P - DL         | 541,258   | -            | 507        | 400        | 538,077  | -            | 136       | -             | 44      | (0)             | (6)         | 36           | 539,193   | 1,786      | 279        |
| 22                            | North Atlantic Refining Ltd.  | 172,293   | -            | 26,276     | 20,702     | -        | -            | 35,740    | -             | 11,507  | (6)             | (298)       | 1,327        | 95,247    | 66,633     | 10,413     |
| 23                            | Subtotal Industrial           | 831,698   | 2,040        | 38,873     | 32,753     | 560,853  | 1,075        | 47,618    | -             | 15,677  | (9)             | (471)       | 2,257        | 700,666   | 113,323    | 17,710     |
| 24                            | Total                         | 2,762,209 | 56,185       | 241,741    | 249,020    | 560,853  | 144,039      | 350,437   | -             | 159,198 | (54)            | (3,582)     | 17,007       | 1,774,844 | 853,918    | 133,447    |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Isolated  
Functional Classification of Revenue Requirement

| Line No. | 1                                                        | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|----------|----------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|          | Description                                              | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          | <b>Expenses</b>                                          |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1        | Operating & Maintenance                                  | 4,784,944         | 3,870,818              | -                                       | -                        | 53,045                  | 421,118                   | 98,808         | 15,474                        | 42,700        | 71,267                      | 19,751        | 40,521                 | 13,661               | 7,605                         | 130,176                  | -                                   |
| 2        | Fuels-Diesel                                             | 1,621,222         | -                      | 1,621,222                               | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 3        | Fuels-Gas Turbine                                        | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 4        | Power Purchases -CF(L)Co                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5        | Power Purchases-Other                                    | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 6        | Depreciation                                             | 703,815           | 646,411                | -                                       | -                        | -                       | 27,683                    | 7,672          | 1,137                         | 3,138         | 7,224                       | 2,002         | 5,238                  | 2,650                | 659                           | -                        | -                                   |
|          | <b>Expense Credits</b>                                   |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 7        | Sundry                                                   | (28,300)          | (22,893)               | -                                       | -                        | (314)                   | (2,491)                   | (584)          | (92)                          | (253)         | (421)                       | (117)         | (240)                  | (81)                 | (45)                          | (770)                    | -                                   |
| 8        | Building Rental Income                                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 9        | Tax Refunds                                              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 10       | Suppliers' Discounts                                     | (3,040)           | (2,459)                | -                                       | -                        | (34)                    | (268)                     | (63)           | (10)                          | (27)          | (45)                        | (13)          | (26)                   | (9)                  | (5)                           | (83)                     | -                                   |
| 11       | Pole Attachments                                         | (14,306)          | -                      | -                                       | -                        | -                       | (9,297)                   | (2,577)        | -                             | -             | (1,792)                     | (497)         | (143)                  | -                    | -                             | -                        | -                                   |
| 12       | Secondary Energy Revenues                                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 13       | Wheeling Revenues                                        | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 14       | Misc Customer Revenues                                   | (82)              | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | (82)                     | -                                   |
| 15       | Application Fees                                         | (812)             | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | (812)                    | -                                   |
| 16       | <b>Total Expense Credits</b>                             | <b>(46,540)</b>   | <b>(25,353)</b>        | <b>-</b>                                | <b>-</b>                 | <b>(347)</b>            | <b>(12,056)</b>           | <b>(3,224)</b> | <b>(101)</b>                  | <b>(280)</b>  | <b>(2,259)</b>              | <b>(626)</b>  | <b>(408)</b>           | <b>(89)</b>          | <b>(50)</b>                   | <b>(1,747)</b>           | <b>-</b>                            |
| 17       | <b>Subtotal Expenses</b>                                 | <b>7,063,441</b>  | <b>4,491,876</b>       | <b>1,621,222</b>                        | <b>-</b>                 | <b>52,698</b>           | <b>436,746</b>            | <b>103,256</b> | <b>16,510</b>                 | <b>45,558</b> | <b>76,233</b>               | <b>21,127</b> | <b>45,351</b>          | <b>16,221</b>        | <b>8,214</b>                  | <b>128,429</b>           | <b>-</b>                            |
| 18       | Disposal Gain / Loss                                     | (21,089)          | (19,091)               | -                                       | -                        | -                       | (921)                     | (255)          | (50)                          | (438)         | (254)                       | (70)          | (196)                  | (86)                 | (26)                          | -                        | -                                   |
| 19       | <b>Subtotal Revenue Reqmt Before Interest and Margin</b> | <b>7,042,353</b>  | <b>4,472,785</b>       | <b>1,621,222</b>                        | <b>-</b>                 | <b>52,698</b>           | <b>435,824</b>            | <b>103,001</b> | <b>16,460</b>                 | <b>45,421</b> | <b>75,978</b>               | <b>21,057</b> | <b>45,155</b>          | <b>16,136</b>        | <b>8,187</b>                  | <b>128,429</b>           | <b>-</b>                            |
| 20       | Interest                                                 | 807,312           | 730,858                | -                                       | -                        | -                       | 35,271                    | 9,775          | 1,909                         | 5,267         | 9,736                       | 2,698         | 7,506                  | 3,283                | 1,009                         | -                        | -                                   |
| 21       | Margin                                                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 22       | <b>Total Revenue Requirement</b>                         | <b>7,849,665</b>  | <b>5,203,642</b>       | <b>1,621,222</b>                        | <b>-</b>                 | <b>52,698</b>           | <b>471,096</b>            | <b>112,776</b> | <b>18,369</b>                 | <b>50,688</b> | <b>85,714</b>               | <b>23,755</b> | <b>52,661</b>          | <b>19,419</b>        | <b>9,197</b>                  | <b>128,429</b>           | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Functional Classification of Revenue Requirement - Documentation**

| Line No. | Description                                              | Basis of Functional Classification                                                   |
|----------|----------------------------------------------------------|--------------------------------------------------------------------------------------|
|          | <b>Expenses</b>                                          |                                                                                      |
| 1        | Operating & Maintenance                                  | Carryforward from Sch.2.4 L.20                                                       |
| 2        | Fuels-Diesel                                             | Production - Energy                                                                  |
| 3        | Fuels-Gas Turbine                                        | Production - Energy                                                                  |
| 4        | Power Purchases -CF(L)Co                                 | Production - Demand, Energy split based on Detailed Analysis                         |
| 5        | Power Purchases-Other                                    | Production - Demand, Energy split based on Detailed Analysis                         |
| 6        | Depreciation                                             | Carryforward from Sch.2.5 L.22                                                       |
|          | <b>Expense Credits</b>                                   |                                                                                      |
| 7        | Sundry                                                   | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 8        | Building Rental Income                                   | Prorated on General Plant - Sch.2.2 L.18                                             |
| 9        | Tax Refunds                                              | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 10       | Suppliers' Discounts                                     | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 11       | Pole Attachments                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27 |
| 12       | Secondary Energy Revenues                                | Production - Energy                                                                  |
| 13       | Wheeling Revenues                                        | Transmission - Demand, Energy ratios Sch.4.3 L. 14                                   |
| 14       | Misc Customer Revenues                                   | Accounting - Customer                                                                |
| 15       | Application Fees                                         | Accounting - Customer                                                                |
| 16       | <b>Total Expense Credits</b>                             |                                                                                      |
| 17       | <b>Subtotal Expenses</b>                                 |                                                                                      |
| 18       | Disposal Gain / Loss                                     | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 19       | <b>Subtotal Revenue Reqmt Before Interest and Margin</b> |                                                                                      |
| 20       | Interest                                                 | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 21       | Margin                                                   | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 22       | <b>Total Revenue Requirement</b>                         |                                                                                      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense

| Line No.            | Description                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|-------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     |                                                             | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                                      | 13,709,687        | 13,709,687             | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>                                  | <b>13,709,687</b> | <b>13,709,687</b>      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                                       | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                                           | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>                                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Distribution</b> |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substations                                                 | 317,197           | 317,197                | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements                                    | 20,028            | -                      | -                                       | -                        | -                       | 13,330                    | 3,694          | -                             | -              | 2,352                       | 652            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                                       | 1,752,036         | -                      | -                                       | -                        | -                       | 1,138,631                 | 315,559        | -                             | -              | 219,495                     | 60,831         | 17,520                 | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor&Eqpt                                      | 146,349           | -                      | -                                       | -                        | -                       | 114,591                   | 31,758         | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                                         | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                                                | 219,656           | -                      | -                                       | -                        | -                       | -                         | -              | 58,428                        | 161,227        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Condctr & Equip                                   | 173,886           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 136,153                     | 37,733         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                                                    | 181,964           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 181,964                | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                                      | 76,933            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 76,933               | -                             | -                        | -                                   |
| 15                  | Street Lighting                                             | 29,866            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 29,866                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>                                | <b>2,917,915</b>  | <b>317,197</b>         | -                                       | -                        | -                       | <b>1,266,552</b>          | <b>351,011</b> | <b>58,428</b>                 | <b>161,227</b> | <b>358,000</b>              | <b>99,216</b>  | <b>199,484</b>         | <b>76,933</b>        | <b>29,866</b>                 | -                        | -                                   |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> | <b>16,627,602</b> | <b>14,026,884</b>      | -                                       | -                        | -                       | <b>1,266,552</b>          | <b>351,011</b> | <b>58,428</b>                 | <b>161,227</b> | <b>358,000</b>              | <b>99,216</b>  | <b>199,484</b>         | <b>76,933</b>        | <b>29,866</b>                 | -                        | -                                   |
| 18                  | General                                                     | 243,904           | 205,755                | -                                       | -                        | -                       | 18,579                    | 5,149          | 857                           | 2,365          | 5,251                       | 1,455          | 2,926                  | 1,129                | 438                           | -                        | -                                   |
| 19                  | Telecontrol - Common                                        | 6,320             | 6,320                  | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                                         | 636               | 636                    | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | <b>Total Plant</b>                                          | <b>16,878,462</b> | <b>14,239,596</b>      | -                                       | -                        | -                       | <b>1,285,130</b>          | <b>356,160</b> | <b>59,286</b>                 | <b>163,592</b> | <b>363,252</b>              | <b>100,671</b> | <b>202,410</b>         | <b>78,061</b>        | <b>30,304</b>                 | -                        | -                                   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**

**Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation**

| Line No.            | Description                                                 | Basis of Functional Classification                                                                         |
|---------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                                             |                                                                                                            |
| 1                   | Diesel                                                      | Production - Demand, Energy ratios Sch.4.3 L.8                                                             |
| 2                   | <b>Subtotal Production</b>                                  |                                                                                                            |
| <b>Transmission</b> |                                                             |                                                                                                            |
| 3                   | Lines                                                       | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Specifically Assigned - Customer |
| 4                   | Terminal Stations                                           | Production, Transmission - Demand, Energy; Specifically Assigned - Customer                                |
| 5                   | <b>Subtotal Transmission</b>                                |                                                                                                            |
| <b>Distribution</b> |                                                             |                                                                                                            |
| 6                   | Substations                                                 | Production - Demand; Distribution Substations - Demand                                                     |
| 7                   | Land & Land Improvements                                    | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.3 L.22                                 |
| 8                   | Poles                                                       | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27                       |
| 9                   | Primary Conductor&Eqpt                                      | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.28                       |
| 10                  | Submarine Conductor                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.29                       |
| 11                  | Transformers                                                | Transformers - Demand, Customer - zero intercept ratios Sch.4.3 L.30                                       |
| 12                  | Secondary Condctr & Equip                                   | Secondary - Demand, Customer - zero intercept ratios Sch. 4.3 L. 31                                        |
| 13                  | Services                                                    | Services Customer                                                                                          |
| 14                  | Meters                                                      | Meters - Customer                                                                                          |
| 15                  | Street Lighting                                             | Street Lighting - Customer                                                                                 |
| 16                  | <b>Subtotal Distribution</b>                                |                                                                                                            |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> |                                                                                                            |
| 18                  | General                                                     | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                                 |
| 19                  | Telecontrol - Common                                        | Prorated on functionalized Production & Transmission plant - L. 2, 5                                       |
| 20                  | Telecontrol - Specific                                      | Specifically Assigned - Customer                                                                           |
| 21                  | Feasibility Studies                                         | Production, Transmission - Demand                                                                          |
| 22                  | <b>Total Plant</b>                                          |                                                                                                            |

NEWFOUNDLAND & LABRADOR HYDRO  
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Functional Classification of Net Book Value

| Line No.            | Description                                                 | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|-------------------------------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 1                   | Diesel                                                      | 9,189,518              | 9,189,518                   | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                   | <b>Subtotal Production</b>                                  | <b>9,189,518</b>       | <b>9,189,518</b>            | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 3                   | Lines                                                       | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 4                   | Terminal Stations                                           | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                   | <b>Subtotal Transmission</b>                                | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                          | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 6                   | Substations                                                 | 153,259                | 153,259                     | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 7                   | Land & Land Improvements                                    | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 8                   | Poles                                                       | 653,185                | -                           | -                                            | -                             | -                            | 424,498                        | 117,645            | -                                  | -                   | 81,831                            | 22,679              | 6,532                        | -                          | -                                   | -                              | -                                         |
| 9                   | Primary Conductor&Eqpt                                      | 33,734                 | -                           | -                                            | -                             | -                            | 26,414                         | 7,320              | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 10                  | Submarine Conductor                                         | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 11                  | Transformers                                                | 91,734                 | -                           | -                                            | -                             | -                            | -                              | -                  | 24,401                             | 67,333              | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                  | Secondary Condctr & Equip                                   | 54,450                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 42,634                            | 11,816              | -                            | -                          | -                                   | -                              | -                                         |
| 13                  | Services                                                    | 89,429                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | 89,429                       | -                          | -                                   | -                              | -                                         |
| 14                  | Meters                                                      | 41,971                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 41,971                     | -                                   | -                              | -                                         |
| 15                  | Street Lighting                                             | 12,902                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | 12,902                              | -                              | -                                         |
| 16                  | <b>Subtotal Distribution</b>                                | <b>1,130,665</b>       | <b>153,259</b>              | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>450,912</b>                 | <b>124,966</b>     | <b>24,401</b>                      | <b>67,333</b>       | <b>124,465</b>                    | <b>34,494</b>       | <b>95,961</b>                | <b>41,971</b>              | <b>12,902</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> | <b>10,320,183</b>      | <b>9,342,777</b>            | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>450,912</b>                 | <b>124,966</b>     | <b>24,401</b>                      | <b>67,333</b>       | <b>124,465</b>                    | <b>34,494</b>       | <b>95,961</b>                | <b>41,971</b>              | <b>12,902</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 18                  | General                                                     | 81,142                 | 73,457                      | -                                            | -                             | -                            | 3,545                          | 983                | 192                                | 529                 | 979                               | 271                 | 754                          | 330                        | 101                                 | -                              | -                                         |
| 19                  | Telecontrol - Common                                        | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 20                  | Telecontrol - Specific                                      | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 21                  | Feasibility Studies                                         | 636                    | 636                         | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 22                  | <b>Total Net Book Value</b>                                 | <b>10,401,961</b>      | <b>9,416,870</b>            | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>454,458</b>                 | <b>125,948</b>     | <b>24,593</b>                      | <b>67,862</b>       | <b>125,444</b>                    | <b>34,765</b>       | <b>96,716</b>                | <b>42,301</b>              | <b>13,004</b>                       | <b>-</b>                       | <b>-</b>                                  |

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Functional Classification of Operating & Maintenance Expense

| Line No.               | Description                                                | 2<br>Total Amount<br>(\$) | 3<br>Production Demand<br>(\$) | 4<br>Production and Transmission Energy<br>(\$) | 5<br>Transmission Demand<br>(\$) | 6<br>Substations Demand<br>(\$) | 7<br>Primary Lines Demand<br>(\$) | 8<br>Customer<br>(\$) | 9<br>Line Transformers Demand<br>(\$) | 10<br>Customer<br>(\$) | 11<br>Secondary Lines Demand<br>(\$) | 12<br>Customer<br>(\$) | 13<br>Services Customer<br>(\$) | 14<br>Meters Customer<br>(\$) | 15<br>Street Lighting Customer<br>(\$) | 16<br>Accounting Customer<br>(\$) | 17<br>Specifically Assigned Customer<br>(\$) |
|------------------------|------------------------------------------------------------|---------------------------|--------------------------------|-------------------------------------------------|----------------------------------|---------------------------------|-----------------------------------|-----------------------|---------------------------------------|------------------------|--------------------------------------|------------------------|---------------------------------|-------------------------------|----------------------------------------|-----------------------------------|----------------------------------------------|
| <b>Production</b>      |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| 1                      | Diesel                                                     | 2,268,682                 | 2,268,682                      | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 2                      | <b>Subtotal Production</b>                                 | <b>2,268,682</b>          | <b>2,268,682</b>               | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| <b>Transmission</b>    |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| 3                      | Lines                                                      | -                         | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 4                      | Terminals                                                  | -                         | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 5                      | <b>Subtotal Transmission</b>                               | -                         | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| <b>Distribution</b>    |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| 6                      | Other                                                      | 447,111                   | 5,964                          | -                                               | -                                | 33,418                          | 243,155                           | 56,111                | 8,727                                 | 24,081                 | 38,638                               | 10,708                 | 22,040                          | -                             | 4,269                                  | -                                 | -                                            |
| 7                      | Meters                                                     | 7,261                     | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | 7,261                         | -                                      | -                                 | -                                            |
| 8                      | <b>Subtotal Distribution</b>                               | <b>454,372</b>            | <b>5,964</b>                   | -                                               | -                                | <b>33,418</b>                   | <b>243,155</b>                    | <b>56,111</b>         | <b>8,727</b>                          | <b>24,081</b>          | <b>38,638</b>                        | <b>10,708</b>          | <b>22,040</b>                   | <b>7,261</b>                  | <b>4,269</b>                           | -                                 | -                                            |
| 9                      | <b>Subtotal Production Transmission &amp; Distribution</b> | <b>2,723,053</b>          | <b>2,274,645</b>               | -                                               | -                                | <b>33,418</b>                   | <b>243,155</b>                    | <b>56,111</b>         | <b>8,727</b>                          | <b>24,081</b>          | <b>38,638</b>                        | <b>10,708</b>          | <b>22,040</b>                   | <b>7,261</b>                  | <b>4,269</b>                           | -                                 | -                                            |
| 10                     | Customer Accounting                                        | 85,469                    | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | 85,469                            | -                                            |
| <b>Overheads</b>       |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| <b>Plant-Related</b>   |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| 11                     | Production                                                 | 37,867                    | 37,867                         | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 12                     | Transmission                                               | -                         | -                              | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 13                     | Distribution                                               | 6,643                     | 722                            | -                                               | -                                | -                               | 2,883                             | 799                   | 133                                   | 367                    | 815                                  | 226                    | 454                             | 175                           | 68                                     | -                                 | -                                            |
| 14                     | Prod, Trans, Distrn Plant                                  | 423,088                   | 356,913                        | -                                               | -                                | -                               | 32,227                            | 8,931                 | 1,487                                 | 4,102                  | 9,109                                | 2,525                  | 5,076                           | 1,958                         | 760                                    | -                                 | -                                            |
| 15                     | Telecontrol Plant                                          | 558                       | 558                            | -                                               | -                                | -                               | -                                 | -                     | -                                     | -                      | -                                    | -                      | -                               | -                             | -                                      | -                                 | -                                            |
| 16                     | Prod, Trans, Distrn and Gen Pit                            | 413                       | 348                            | -                                               | -                                | -                               | 31                                | 9                     | 1                                     | 4                      | 9                                    | 2                      | 5                               | 2                             | 1                                      | -                                 | -                                            |
| <b>Expense Related</b> |                                                            |                           |                                |                                                 |                                  |                                 |                                   |                       |                                       |                        |                                      |                        |                                 |                               |                                        |                                   |                                              |
| 17                     | Property Insurance                                         | 9,608                     | 9,582                          | -                                               | -                                | -                               | 13                                | 3                     | 1                                     | 2                      | 4                                    | 1                      | 2                               | 1                             | 0                                      | -                                 | -                                            |
| 18                     | Municipal Tax                                              | 29,191                    | 383                            | -                                               | -                                | 2,147                           | 15,621                            | 3,605                 | 561                                   | 1,547                  | 2,482                                | 688                    | 1,416                           | 466                           | 274                                    | -                                 | -                                            |
| 19                     | Other Expense Related                                      | 1,469,054                 | 1,189,799                      | -                                               | -                                | 17,480                          | 127,187                           | 29,350                | 4,565                                 | 12,596                 | 20,210                               | 5,601                  | 11,529                          | 3,798                         | 2,233                                  | 44,706                            | -                                            |
| 20                     | <b>Subtotal Overheads</b>                                  | <b>1,976,422</b>          | <b>1,596,173</b>               | -                                               | -                                | <b>19,627</b>                   | <b>177,963</b>                    | <b>42,697</b>         | <b>6,747</b>                          | <b>18,618</b>          | <b>32,629</b>                        | <b>9,043</b>           | <b>18,481</b>                   | <b>6,400</b>                  | <b>3,336</b>                           | <b>44,706</b>                     | -                                            |
| 21                     | <b>Total Operating &amp; Maintenance Expenses</b>          | <b>4,784,944</b>          | <b>3,870,818</b>               | -                                               | -                                | <b>53,045</b>                   | <b>421,118</b>                    | <b>98,808</b>         | <b>15,474</b>                         | <b>42,700</b>          | <b>71,267</b>                        | <b>19,751</b>          | <b>40,521</b>                   | <b>13,661</b>                 | <b>7,605</b>                           | <b>130,176</b>                    | -                                            |

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| Line No. | Description                                                | Basis of Functional Classification                                                                       |
|----------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                          |                                                                                                          |
| 1        | Diesel                                                     | Production - Demand, Energy ratios Sch.4.3 L.8                                                           |
| 2        | <b>Subtotal Production</b>                                 |                                                                                                          |
|          | <b>Transmission</b>                                        |                                                                                                          |
| 3        | Lines                                                      | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                            |
| 4        | Terminals                                                  | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                                |
| 5        | <b>Subtotal Transmission</b>                               |                                                                                                          |
|          | <b>Distribution</b>                                        |                                                                                                          |
| 6        | Other                                                      | Production, Distribution, except Meters- ratios Sch. 4.3 L. 36                                           |
| 7        | Meters                                                     | Meters - Customer                                                                                        |
| 8        | <b>Subtotal Distribution</b>                               |                                                                                                          |
| 9        | <b>Subtotal Production Transmission &amp; Distribution</b> |                                                                                                          |
| 10       | Customer Accounting                                        | Accounting - Customer                                                                                    |
|          | <b>Overheads</b>                                           |                                                                                                          |
|          | <b>Plant-Related</b>                                       |                                                                                                          |
| 11       | Production                                                 | Prorated on Production Plant in Service - Sch.2.2 L.2                                                    |
| 12       | Transmission                                               | Prorated on Transmission Plant in Service - Sch.2.2 L. 5                                                 |
| 13       | Distribution                                               | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                                 |
| 14       | Prod, Trans, Distr Plant                                   | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 17                      |
| 15       | Telecontrol Plant                                          | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                              |
| 16       | Prod, Trans, Distr and Gen Plt                             | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.22             |
|          | <b>Expense Related</b>                                     |                                                                                                          |
| 17       | Property Insurance                                         | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18, 19, 20 |
| 18       | Municipal Tax                                              | Prorated on Distribution O&M Expenses - L.8                                                              |
| 19       | Other Expense Related                                      | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10               |
| 20       | <b>Subtotal Overheads</b>                                  |                                                                                                          |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b>          |                                                                                                          |

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| Functional Classification of Depreciation Expense |                            |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |    |
|---------------------------------------------------|----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|----|
| Line                                              | 1                          | 2                 | 3                      | 4                                       | 5                        | Distribution            |                           |               |                               |               |                             |               |                        |                      |                               |                          | 16                                  | 17 |
|                                                   |                            |                   |                        |                                         |                          | 6                       | 7                         | 8             | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            |                          |                                     |    |
|                                                   |                            |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |    |
|                                                   | Description                | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |    |
| Production                                        |                            |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |    |
| 1                                                 | Diesel                     | 625,826           | 625,826                | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 2                                                 | Subtotal Production        | 625,826           | 625,826                | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| Transmission                                      |                            |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |    |
| 3                                                 | Lines                      | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 4                                                 | Terminal Stations          | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 5                                                 | Subtotal Transmission      | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| Distribution                                      |                            |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |    |
| 6                                                 | Substations                | 8,240             | 8,240                  | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 7                                                 | Land & Land Improvements   | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 8                                                 | Poles                      | 39,557            | -                      | -                                       | -                        | -                       | 25,708                    | 7,125         | -                             | -             | 4,956                       | 1,373         | 396                    | -                    | -                             | -                        | -                                   |    |
| 9                                                 | Primary Conductor&Eqpt     | 1,939             | -                      | -                                       | -                        | -                       | 1,518                     | 421           | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 10                                                | Submarine Conductor        | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 11                                                | Transformers               | 4,205             | -                      | -                                       | -                        | -                       | -                         | -             | 1,119                         | 3,087         | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 12                                                | Secondary Condctr & Equip  | 2,745             | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | 2,149                       | 596           | -                      | -                    | -                             | -                        | -                                   |    |
| 13                                                | Services                   | 4,756             | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | 4,756                  | -                    | -                             | -                        | -                                   |    |
| 14                                                | Meters                     | 2,606             | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 2,606                | -                             | -                        | -                                   |    |
| 15                                                | Street Lighting            | 648               | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | 648                           | -                        | -                                   |    |
| 16                                                | Subtotal Distribution      | 64,696            | 8,240                  | -                                       | -                        | -                       | 27,226                    | 7,545         | 1,119                         | 3,087         | 7,105                       | 1,969         | 5,151                  | 2,606                | 648                           | -                        | -                                   |    |
| 17                                                | Subtotal Prod Tran & Dist  | 690,522           | 634,066                | -                                       | -                        | -                       | 27,226                    | 7,545         | 1,119                         | 3,087         | 7,105                       | 1,969         | 5,151                  | 2,606                | 648                           | -                        | -                                   |    |
| 18                                                | General                    | 11,597            | 10,648                 | -                                       | -                        | -                       | 457                       | 127           | 19                            | 52            | 119                         | 33            | 87                     | 44                   | 11                            | -                        | -                                   |    |
| 19                                                | Telecontrol - Common       | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 20                                                | Telecontrol - Specific     | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 21                                                | Feasibility Studies        | 1,696             | 1,696                  | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |    |
| 22                                                | Total Depreciation Expense | 703,815           | 646,411                | -                                       | -                        | -                       | 27,683                    | 7,672         | 1,137                         | 3,138         | 7,224                       | 2,002         | 5,238                  | 2,650                | 659                           | -                        | -                                   |    |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Basis of Allocation to Classes of Service**

|             | 1                                 | 2                       | 3                                        | 4                                                               | 5                                          | 6                                        | 7                         | 8                                | 9                         | 10                               | 11                        | 12                               | 13                                             | 14                                             | 15                                  | 16     | 17                                             |                                              |
|-------------|-----------------------------------|-------------------------|------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|------------------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------|--------|------------------------------------------------|----------------------------------------------|
| Line<br>No. | Description                       | Total<br>Amount<br>(\$) | Production<br>Demand<br>(\$)<br>(AED kW) | Production and<br>Transmission<br>Energy<br>(\$)<br>(MWh @ Gen) | Transmission<br>Demand<br>(\$)<br>(AED kW) | Distribution                             |                           |                                  |                           |                                  |                           |                                  |                                                |                                                |                                     |        | Accounting<br>Customer<br>(\$)<br>(Rural Cust) | Specifically<br>Assigned<br>Customer<br>(\$) |
|             |                                   |                         |                                          |                                                                 |                                            | Substations<br>Demand<br>(\$)<br>(CP kW) | Primary Lines             |                                  | Line Transformers         |                                  | Secondary Lines           |                                  | Services<br>Customer<br>(\$)<br>(Wtd Rural Cu) | Meters<br>Customer<br>(\$)<br>(Wtd Rural Cust) | Street Lighting<br>Customer<br>(\$) |        |                                                |                                              |
|             |                                   |                         |                                          |                                                                 |                                            |                                          | Demand<br>(\$)<br>(CP kW) | Customer<br>(\$)<br>(Rural Cust) | Demand<br>(\$)<br>(CP kW) | Customer<br>(\$)<br>(Rural Cust) | Demand<br>(\$)<br>(CP kW) | Customer<br>(\$)<br>(Rural Cust) |                                                |                                                |                                     |        |                                                |                                              |
| Amounts     |                                   |                         |                                          |                                                                 |                                            |                                          |                           |                                  |                           |                                  |                           |                                  |                                                |                                                |                                     |        |                                                |                                              |
| 1           | 1.2 Domestic Diesel               | -                       | 2,508                                    | 7,514                                                           | 2,491                                      | 3,051                                    | 2,910                     | 914                              | 2,868                     | 914                              | 2,797                     | 914                              | 914                                            | 914                                            | -                                   | 914    | -                                              |                                              |
| 2           | 1.2G Government Domestic Diesel   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 3           | 1.23 Churches & Schools           | -                       | 317                                      | 590                                                             | 315                                        | 125                                      | 119                       | 32                               | 118                       | 32                               | 115                       | 32                               | 32                                             | 32                                             | -                                   | 32     | -                                              |                                              |
| 4           | 2.2 General Service 10-100 kW     | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 5           | 2.3 General Service 110-1,000 kVa | -                       | 442                                      | 791                                                             | 439                                        | 184                                      | 175                       | 1                                | 173                       | 1                                | 169                       | 1                                | 9                                              | 9                                              | -                                   | 1      | -                                              |                                              |
| 6           | 2.5 General Service Diesel        | -                       | 666                                      | 1,890                                                           | 661                                        | 531                                      | 506                       | 123                              | 499                       | 123                              | 487                       | 123                              | 246                                            | 246                                            | -                                   | 123    | -                                              |                                              |
| 7           | 2.5G Government General Service   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 8           | 4.1 Street and Area Lighting      | -                       | 39                                       | 126                                                             | 39                                         | 53                                       | 51                        | 38                               | 50                        | 38                               | 49                        | 38                               | -                                              | -                                              | 1                                   | 38     | -                                              |                                              |
| 9           | 4.1G Government Street Lighting   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 10          | Total                             | -                       | 3,972                                    | 10,911                                                          | 3,944                                      | 3,944                                    | 3,762                     | 1,108                            | 3,707                     | 1,108                            | 3,616                     | 1,108                            | 1,200                                          | 1,200                                          | 1                                   | 1,108  | -                                              |                                              |
| Ratios      |                                   |                         |                                          |                                                                 |                                            |                                          |                           |                                  |                           |                                  |                           |                                  |                                                |                                                |                                     |        |                                                |                                              |
| 11          | 1.2 Domestic Diesel               | -                       | 0.6315                                   | 0.6886                                                          | 0.6315                                     | 0.7735                                   | 0.7735                    | 0.8246                           | 0.7735                    | 0.8246                           | 0.7735                    | 0.8246                           | 0.7613                                         | 0.7613                                         | -                                   | 0.8246 | -                                              |                                              |
| 12          | 1.2G Government Domestic Diesel   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 13          | 1.23 Churches & Schools           | -                       | 0.0798                                   | 0.0541                                                          | 0.0797                                     | 0.0317                                   | 0.0317                    | 0.0293                           | 0.0317                    | 0.0293                           | 0.0317                    | 0.0293                           | 0.0270                                         | 0.0270                                         | -                                   | 0.0293 | -                                              |                                              |
| 14          | 2.2 General Service 10-100 kW     | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 15          | 2.3 General Service 110-1,000 kVa | -                       | 0.1114                                   | 0.0725                                                          | 0.1114                                     | 0.0466                                   | 0.0466                    | 0.0009                           | 0.0466                    | 0.0009                           | 0.0466                    | 0.0009                           | 0.0071                                         | 0.0071                                         | -                                   | 0.0009 | -                                              |                                              |
| 16          | 2.5 General Service Diesel        | -                       | 0.1676                                   | 0.1732                                                          | 0.1676                                     | 0.1346                                   | 0.1346                    | 0.1108                           | 0.1346                    | 0.1108                           | 0.1346                    | 0.1108                           | 0.2046                                         | 0.2046                                         | -                                   | 0.1108 | -                                              |                                              |
| 17          | 2.5G Government General Service   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 18          | 4.1 Street and Area Lighting      | -                       | 0.0098                                   | 0.0115                                                          | 0.0098                                     | 0.0136                                   | 0.0136                    | 0.0345                           | 0.0136                    | 0.0345                           | 0.0136                    | 0.0345                           | -                                              | -                                              | 1.0000                              | 0.0345 | -                                              |                                              |
| 19          | 4.1G Government Street Lighting   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                                | -                         | -                                | -                         | -                                | -                                              | -                                              | -                                   | -      | -                                              |                                              |
| 20          | Total                             | -                       | 1.0000                                   | 1.0000                                                          | 1.0000                                     | 1.0000                                   | 1.0000                    | 1.0000                           | 1.0000                    | 1.0000                           | 1.0000                    | 1.0000                           | 1.0000                                         | 1.0000                                         | 1.0000                              | 1.0000 | -                                              |                                              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Allocation of Functionalized Amounts to Classes of Service**

| Line No.                                                        | 1                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-----------------------------------------------------------------|-----------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                                                                 | Description                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Allocated Revenue Requirement Excl Interest &amp; Margin</b> |                                   |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                                                               | 1.2 Domestic Diesel               | 4,682,716         | 2,824,579              | 1,116,433                               | -                        | 40,764                  | 337,128                   | 84,933         | 12,733                        | 37,453        | 58,772                      | 17,363        | 34,374                 | 12,283               | -                             | 105,900                  | -                                   |
| 2                                                               | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 3                                                               | 1.23 Churches & Schools           | 473,179           | 356,708                | 87,675                                  | -                        | 1,671                   | 13,820                    | 3,014          | 522                           | 1,329         | 2,409                       | 616           | 1,220                  | 436                  | -                             | 3,758                    | -                                   |
| 4                                                               | 2.2 General Service 10-100 kW     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                                                               | 2.3 General Service 110-1,000 kVa | 643,567           | 498,208                | 117,566                                 | -                        | 2,457                   | 20,320                    | 93             | 767                           | 41            | 3,542                       | 19            | 323                    | 115                  | -                             | 116                      | -                                   |
| 6                                                               | 2.5 General Service Diesel        | 1,154,105         | 749,501                | 280,876                                 | -                        | 7,092                   | 58,649                    | 11,413         | 2,215                         | 5,033         | 10,224                      | 2,333         | 9,238                  | 3,301                | -                             | 14,230                   | -                                   |
| 7                                                               | 2.5G Government General Service   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 8                                                               | 4.1 Street and Area Lighting      | 88,786            | 43,789                 | 18,672                                  | -                        | 714                     | 5,907                     | 3,549          | 223                           | 1,565         | 1,030                       | 725           | -                      | -                    | 8,187                         | 4,425                    | -                                   |
| 9                                                               | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                                                              | <b>Total</b>                      | <b>7,042,353</b>  | <b>4,472,785</b>       | <b>1,621,222</b>                        | <b>-</b>                 | <b>52,698</b>           | <b>435,824</b>            | <b>103,001</b> | <b>16,460</b>                 | <b>45,421</b> | <b>75,978</b>               | <b>21,057</b> | <b>45,155</b>          | <b>16,136</b>        | <b>8,187</b>                  | <b>128,429</b>           | <b>-</b>                            |
| <b>Allocated Interest</b>                                       |                                   |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 11                                                              | 1.2 Domestic Diesel               | 520,672           | 461,539                | -                                       | -                        | -                       | 27,284                    | 8,060          | 1,476                         | 4,343         | 7,531                       | 2,225         | 5,714                  | 2,499                | -                             | -                        | -                                   |
| 12                                                              | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 13                                                              | 1.23 Churches & Schools           | 60,585            | 58,286                 | -                                       | -                        | -                       | 1,118                     | 286            | 61                            | 154           | 309                         | 79            | 203                    | 89                   | -                             | -                        | -                                   |
| 14                                                              | 2.2 General Service 10-100 kW     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 15                                                              | 2.3 General Service 110-1,000 kVa | 83,688            | 81,408                 | -                                       | -                        | -                       | 1,644                     | 9              | 89                            | 5             | 454                         | 2             | 54                     | 23                   | -                             | -                        | -                                   |
| 16                                                              | 2.5 General Service Diesel        | 132,956           | 122,469                | -                                       | -                        | -                       | 4,746                     | 1,083          | 257                           | 584           | 1,310                       | 299           | 1,536                  | 672                  | -                             | -                        | -                                   |
| 17                                                              | 2.5G Government General Service   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 18                                                              | 4.1 Street and Area Lighting      | 9,411             | 7,155                  | -                                       | -                        | -                       | 478                       | 337            | 26                            | 181           | 132                         | 93            | -                      | -                    | 1,009                         | -                        | -                                   |
| 19                                                              | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 20                                                              | <b>Total</b>                      | <b>807,312</b>    | <b>730,858</b>         | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>35,271</b>             | <b>9,775</b>   | <b>1,909</b>                  | <b>5,267</b>  | <b>9,736</b>                | <b>2,698</b>  | <b>7,506</b>           | <b>3,283</b>         | <b>1,009</b>                  | <b>-</b>                 | <b>-</b>                            |
| <b>Allocated Margin</b>                                         |                                   |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 21                                                              | All Classes                       | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Total Allocated Revenue Requirement</b>                      |                                   |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 22                                                              | 1.2 Domestic Diesel               | 5,203,388         | 3,286,118              | 1,116,433                               | -                        | 40,764                  | 364,412                   | 92,993         | 14,209                        | 41,796        | 66,303                      | 19,588        | 40,088                 | 14,783               | -                             | 105,900                  | -                                   |
| 23                                                              | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 24                                                              | 1.23 Churches & Schools           | 533,764           | 414,995                | 87,675                                  | -                        | 1,671                   | 14,939                    | 3,300          | 582                           | 1,483         | 2,718                       | 695           | 1,423                  | 525                  | -                             | 3,758                    | -                                   |
| 25                                                              | 2.2 General Service 10-100 kW     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 26                                                              | 2.3 General Service 110-1,000 kVa | 727,255           | 579,615                | 117,566                                 | -                        | 2,457                   | 21,964                    | 102            | 856                           | 46            | 3,996                       | 21            | 376                    | 139                  | -                             | 116                      | -                                   |
| 27                                                              | 2.5 General Service Diesel        | 1,287,061         | 871,970                | 280,876                                 | -                        | 7,092                   | 63,396                    | 12,496         | 2,472                         | 5,616         | 11,535                      | 2,632         | 10,774                 | 3,973                | -                             | 14,230                   | -                                   |
| 28                                                              | 2.5G Government General Service   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 29                                                              | 4.1 Street and Area Lighting      | 98,198            | 50,944                 | 18,672                                  | -                        | 714                     | 6,385                     | 3,885          | 249                           | 1,746         | 1,162                       | 818           | -                      | -                    | 9,197                         | 4,425                    | -                                   |
| 30                                                              | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 31                                                              | <b>Total</b>                      | <b>7,849,665</b>  | <b>5,203,642</b>       | <b>1,621,222</b>                        | <b>-</b>                 | <b>52,698</b>           | <b>471,096</b>            | <b>112,776</b> | <b>18,369</b>                 | <b>50,688</b> | <b>85,714</b>               | <b>23,755</b> | <b>52,661</b>          | <b>19,419</b>        | <b>9,197</b>                  | <b>128,429</b>           | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Functional Classification of Revenue Requirement

| Line No.               | 1                                                        | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|------------------------|----------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                        | Description                                              | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Expenses</b>        |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                      | Operating & Maintenance                                  | 9,525,842         | 7,684,166              | -                                       | -                        | 120,138                 | 816,557                   | 193,496        | 30,565                        | 84,342         | 135,186                     | 37,465         | 76,829                 | 35,368               | 15,727                        | 296,002                  | -                                   |
| 2                      | Fuels-Diesel                                             | 5,689,928         | -                      | 5,689,928                               | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 3                      | Fuels-Gas Turbine                                        | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                      | Power Purchases -CF(L)Co                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                      | Power Purchases-Other                                    | 17,911            | -                      | 17,911                                  | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 6                      | Depreciation                                             | 1,534,121         | 1,360,597              | -                                       | -                        | 24,086                  | 73,195                    | 20,285         | 4,140                         | 11,423         | 14,921                      | 4,135          | 11,508                 | 6,669                | 3,161                         | -                        | -                                   |
| <b>Expense Credits</b> |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 7                      | Sundry                                                   | (56,339)          | (45,446)               | -                                       | -                        | (711)                   | (4,829)                   | (1,144)        | (181)                         | (499)          | (800)                       | (222)          | (454)                  | (209)                | (93)                          | (1,751)                  | -                                   |
| 8                      | Building Rental Income                                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 9                      | Tax Refunds                                              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                     | Suppliers' Discounts                                     | (6,053)           | (4,882)                | -                                       | -                        | (76)                    | (519)                     | (123)          | (19)                          | (54)           | (86)                        | (24)           | (49)                   | (22)                 | (10)                          | (188)                    | -                                   |
| 11                     | Pole Attachments                                         | (25,526)          | -                      | -                                       | -                        | -                       | (16,589)                  | (4,597)        | -                             | -              | (3,198)                     | (886)          | (255)                  | -                    | -                             | -                        | -                                   |
| 12                     | Secondary Energy Revenues                                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 13                     | Wheeling Revenues                                        | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 14                     | Misc Customer Revenues                                   | (187)             | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | (187)                    | -                                   |
| 15                     | Application Fees                                         | (3,858)           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | (3,858)                  | -                                   |
| 16                     | <b>Total Expense Credits</b>                             | <b>(91,962)</b>   | <b>(50,329)</b>        | <b>-</b>                                | <b>-</b>                 | <b>(787)</b>            | <b>(21,937)</b>           | <b>(5,865)</b> | <b>(200)</b>                  | <b>(552)</b>   | <b>(4,083)</b>              | <b>(1,132)</b> | <b>(758)</b>           | <b>(232)</b>         | <b>(103)</b>                  | <b>(5,983)</b>           | <b>-</b>                            |
| 17                     | <b>Subtotal Expenses</b>                                 | <b>16,675,839</b> | <b>8,994,435</b>       | <b>5,707,838</b>                        | <b>-</b>                 | <b>143,437</b>          | <b>867,815</b>            | <b>207,916</b> | <b>34,505</b>                 | <b>95,213</b>  | <b>146,024</b>              | <b>40,469</b>  | <b>87,579</b>          | <b>41,805</b>        | <b>18,785</b>                 | <b>290,019</b>           | <b>-</b>                            |
| 18                     | Disposal Gain / Loss                                     | 12,157            | 9,711                  | -                                       | -                        | 398                     | 1,033                     | 286            | 56                            | 154            | 207                         | 57             | 149                    | 68                   | 38                            | -                        | -                                   |
| 19                     | <b>Subtotal Revenue Reqmt Before Interest and Margin</b> | <b>16,687,997</b> | <b>9,004,146</b>       | <b>5,707,838</b>                        | <b>-</b>                 | <b>143,835</b>          | <b>868,848</b>            | <b>208,202</b> | <b>34,561</b>                 | <b>95,367</b>  | <b>146,231</b>              | <b>40,526</b>  | <b>87,727</b>          | <b>41,873</b>        | <b>18,823</b>                 | <b>290,019</b>           | <b>-</b>                            |
| 20                     | Interest                                                 | 1,469,083         | 1,173,497              | -                                       | -                        | 48,108                  | 124,823                   | 34,593         | 6,724                         | 18,555         | 25,062                      | 6,946          | 17,981                 | 8,212                | 4,582                         | -                        | -                                   |
| 21                     | Margin                                                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                     | <b>Total Revenue Requirement</b>                         | <b>18,157,079</b> | <b>10,177,643</b>      | <b>5,707,838</b>                        | <b>-</b>                 | <b>191,943</b>          | <b>993,671</b>            | <b>242,796</b> | <b>41,285</b>                 | <b>113,922</b> | <b>171,293</b>              | <b>47,472</b>  | <b>105,708</b>         | <b>50,085</b>        | <b>23,404</b>                 | <b>290,019</b>           | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
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Functional Classification of Revenue Requirement - Documentation

| Line No. | Description                                              | Basis of Functional Classification                                                   |
|----------|----------------------------------------------------------|--------------------------------------------------------------------------------------|
|          | <b>Expenses</b>                                          |                                                                                      |
| 1        | Operating & Maintenance                                  | Carryforward from Sch.2.4 L.20                                                       |
| 2        | Fuels-Diesel                                             | Production - Energy                                                                  |
| 3        | Fuels-Gas Turbine                                        | Production - Energy                                                                  |
| 4        | Power Purchases -CF(L)Co                                 | Production - Demand, Energy split based on Detailed Analysis                         |
| 5        | Power Purchases-Other                                    | Production - Demand, Energy split based on Detailed Analysis                         |
| 6        | Depreciation                                             | Carryforward from Sch.2.5 L.22                                                       |
|          | <b>Expense Credits</b>                                   |                                                                                      |
| 7        | Sundry                                                   | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 8        | Building Rental Income                                   | Prorated on General Plant - Sch.2.2 L.18                                             |
| 9        | Tax Refunds                                              | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 10       | Suppliers' Discounts                                     | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 11       | Pole Attachments                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27 |
| 12       | Secondary Energy Revenues                                | Production - Energy                                                                  |
| 13       | Wheeling Revenues                                        | Transmission - Demand, Energy ratios Sch.4.3 L. 14                                   |
| 14       | Misc Customer Revenues                                   | Accounting - Customer                                                                |
| 15       | Application Fees                                         | Accounting - Customer                                                                |
| 16       | <b>Total Expense Credits</b>                             |                                                                                      |
| 17       | <b>Subtotal Expenses</b>                                 |                                                                                      |
| 18       | Disposal Gain / Loss                                     | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 19       | <b>Subtotal Revenue Reqmt Before Interest and Margin</b> |                                                                                      |
| 20       | Interest                                                 | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 21       | Margin                                                   | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 22       | <b>Total Revenue Requirement</b>                         |                                                                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Functional Classification of Plant in Service for the Allocation of O&M Expense**

| Line No.            | Description                                                 | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|-------------------------------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 1                   | Diesel                                                      | 28,138,924             | 28,138,924                  | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                   | <b>Subtotal Production</b>                                  | <b>28,138,924</b>      | <b>28,138,924</b>           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 3                   | Lines                                                       | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 4                   | Terminal Stations                                           | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                   | <b>Subtotal Transmission</b>                                | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                          | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 6                   | Substations                                                 | 2,219,527              | 1,514,635                   | -                                            | -                             | 704,892                      | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 7                   | Land & Land Improvements                                    | 11,817                 | -                           | -                                            | -                             | -                            | 7,865                          | 2,180              | -                                  | -                   | 1,388                             | 385                 | -                            | -                          | -                                   | -                              | -                                         |
| 8                   | Poles                                                       | 4,360,576              | -                           | -                                            | -                             | -                            | 2,833,895                      | 785,383            | -                                  | -                   | 546,293                           | 151,399             | 43,606                       | -                          | -                                   | -                              | -                                         |
| 9                   | Primary Conductor&Eqpt                                      | 752,982                | -                           | -                                            | -                             | -                            | 589,585                        | 163,397            | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 10                  | Submarine Conductor                                         | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 11                  | Transformers                                                | 611,609                | -                           | -                                            | -                             | -                            | -                              | -                  | 162,688                            | 448,921             | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                  | Secondary Conductor & Equip                                 | 214,849                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 168,227                           | 46,622              | -                            | -                          | -                                   | -                              | -                                         |
| 13                  | Services                                                    | 355,842                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | 355,842                      | -                          | -                                   | -                              | -                                         |
| 14                  | Meters                                                      | 190,456                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 190,456                    | -                                   | -                              | -                                         |
| 15                  | Street Lighting                                             | 103,966                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | 103,966                             | -                              | -                                         |
| 16                  | <b>Subtotal Distribution</b>                                | <b>8,821,624</b>       | <b>1,514,635</b>            | <b>-</b>                                     | <b>-</b>                      | <b>704,892</b>               | <b>3,431,345</b>               | <b>950,960</b>     | <b>162,688</b>                     | <b>448,921</b>      | <b>715,908</b>                    | <b>198,406</b>      | <b>399,447</b>               | <b>190,456</b>             | <b>103,966</b>                      | <b>-</b>                       | <b>-</b>                                  |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> | <b>36,960,547</b>      | <b>29,653,558</b>           | <b>-</b>                                     | <b>-</b>                      | <b>704,892</b>               | <b>3,431,345</b>               | <b>950,960</b>     | <b>162,688</b>                     | <b>448,921</b>      | <b>715,908</b>                    | <b>198,406</b>      | <b>399,447</b>               | <b>190,456</b>             | <b>103,966</b>                      | <b>-</b>                       | <b>-</b>                                  |
| 18                  | General                                                     | 834,114                | 669,212                     | -                                            | -                             | 15,908                       | 77,437                         | 21,461             | 3,671                              | 10,131              | 16,156                            | 4,478               | 9,015                        | 4,298                      | 2,346                               | -                              | -                                         |
| 19                  | Telecontrol - Common                                        | 15,100                 | 15,100                      | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 20                  | Telecontrol - Specific                                      | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 21                  | Feasibility Studies                                         | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 22                  | <b>Total Plant</b>                                          | <b>37,809,761</b>      | <b>30,337,871</b>           | <b>-</b>                                     | <b>-</b>                      | <b>720,800</b>               | <b>3,508,782</b>               | <b>972,421</b>     | <b>166,360</b>                     | <b>459,052</b>      | <b>732,064</b>                    | <b>202,884</b>      | <b>408,462</b>               | <b>194,754</b>             | <b>106,313</b>                      | <b>-</b>                       | <b>-</b>                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No.            | Description                                                 | Basis of Functional Classification                                                                         |
|---------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                                             |                                                                                                            |
| 1                   | Diesel                                                      | Production - Demand, Energy ratios Sch.4.3 L.8                                                             |
| 2                   | <b>Subtotal Production</b>                                  |                                                                                                            |
| <b>Transmission</b> |                                                             |                                                                                                            |
| 3                   | Lines                                                       | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Specifically Assigned - Customer |
| 4                   | Terminal Stations                                           | Production, Transmission - Demand, Energy; Specifically Assigned - Customer                                |
| 5                   | <b>Subtotal Transmission</b>                                |                                                                                                            |
| <b>Distribution</b> |                                                             |                                                                                                            |
| 6                   | Substations                                                 | Production - Demand; Distribution Substations - Demand                                                     |
| 7                   | Land & Land Improvements                                    | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.3 L.22                                 |
| 8                   | Poles                                                       | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27                       |
| 9                   | Primary Conductor&Eqpt                                      | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.28                       |
| 10                  | Submarine Conductor                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.29                       |
| 11                  | Transformers                                                | Transformers - Demand, Customer - zero intercept ratios Sch.4.3 L.30                                       |
| 12                  | Secondary Condctr & Equip                                   | Secondary - Demand, Customer - zero intercept ratios Sch. 4.3 L. 31                                        |
| 13                  | Services                                                    | Services Customer                                                                                          |
| 14                  | Meters                                                      | Meters - Customer                                                                                          |
| 15                  | Street Lighting                                             | Street Lighting - Customer                                                                                 |
| 16                  | <b>Subtotal Distribution</b>                                |                                                                                                            |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> |                                                                                                            |
| 18                  | General                                                     | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                                 |
| 19                  | Telecontrol - Common                                        | Prorated on functionalized Production & Transmission plant - L. 2, 5                                       |
| 20                  | Telecontrol - Specific                                      | Specifically Assigned - Customer                                                                           |
| 21                  | Feasibility Studies                                         | Production, Transmission - Demand                                                                          |
| 22                  | <b>Total Plant</b>                                          |                                                                                                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Functional Classification of Net Book Value

| Line No.            | 1<br>Description                                            | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Distribution Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|-------------------------------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|------------------------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 1                   | Diesel                                                      | 13,970,768             | 13,970,768                  | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                   | <b>Subtotal Production</b>                                  | <b>13,970,768</b>      | <b>13,970,768</b>           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 3                   | Lines                                                       | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 4                   | Terminal Stations                                           | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                   | <b>Subtotal Transmission</b>                                | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                                       | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b> |                                                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 6                   | Substations                                                 | 1,474,801              | 866,095                     | -                                            | -                             | 608,706                      | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 7                   | Land & Land Improvements                                    | 3,245                  | -                           | -                                            | -                             | -                            | 2,160                          | 599                | -                                  | -                   | 381                                            | 106                 | -                            | -                          | -                                   | -                              | -                                         |
| 8                   | Poles                                                       | 2,021,283              | -                           | -                                            | -                             | -                            | 1,313,612                      | 364,053            | -                                  | -                   | 253,226                                        | 70,179              | 20,213                       | -                          | -                                   | -                              | -                                         |
| 9                   | Primary Conductor&Eqpt                                      | 336,649                | -                           | -                                            | -                             | -                            | 263,596                        | 73,053             | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 10                  | Submarine Conductor                                         | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 11                  | Transformers                                                | 319,857                | -                           | -                                            | -                             | -                            | -                              | -                  | 85,082                             | 234,775             | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                  | Secondary Condctr & Equip                                   | 81,092                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 63,495                                         | 17,597              | -                            | -                          | -                                   | -                              | -                                         |
| 13                  | Services                                                    | 207,295                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | 207,295                      | -                          | -                                   | -                              | -                                         |
| 14                  | Meters                                                      | 103,904                | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | 103,904                    | -                                   | -                              | -                                         |
| 15                  | Street Lighting                                             | 57,975                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | 57,975                              | -                              | -                                         |
| 16                  | <b>Subtotal Distribution</b>                                | <b>4,806,101</b>       | <b>866,095</b>              | <b>-</b>                                     | <b>-</b>                      | <b>608,706</b>               | <b>1,579,367</b>               | <b>437,705</b>     | <b>85,082</b>                      | <b>234,775</b>      | <b>317,103</b>                                 | <b>87,882</b>       | <b>227,508</b>               | <b>103,904</b>             | <b>57,975</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> | <b>18,576,870</b>      | <b>14,836,863</b>           | <b>-</b>                                     | <b>-</b>                      | <b>608,706</b>               | <b>1,579,367</b>               | <b>437,705</b>     | <b>85,082</b>                      | <b>234,775</b>      | <b>317,103</b>                                 | <b>87,882</b>       | <b>227,508</b>               | <b>103,904</b>             | <b>57,975</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 18                  | General                                                     | 340,344                | 271,824                     | -                                            | -                             | 11,152                       | 28,935                         | 8,019              | 1,559                              | 4,301               | 5,810                                          | 1,610               | 4,168                        | 1,904                      | 1,062                               | -                              | -                                         |
| 19                  | Telecontrol - Common                                        | 11,445                 | 11,445                      | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 20                  | Telecontrol - Specific                                      | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 21                  | Feasibility Studies                                         | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 22                  | <b>Total Net Book Value</b>                                 | <b>18,928,659</b>      | <b>15,120,133</b>           | <b>-</b>                                     | <b>-</b>                      | <b>619,858</b>               | <b>1,608,303</b>               | <b>445,724</b>     | <b>86,641</b>                      | <b>239,076</b>      | <b>322,912</b>                                 | <b>89,492</b>       | <b>231,676</b>               | <b>105,808</b>             | <b>59,038</b>                       | <b>-</b>                       | <b>-</b>                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Functional Classification of Operating & Maintenance Expense

| Line No.               | 1                                                          | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|------------------------|------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                        | Description                                                | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>      |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                      | Diesel                                                     | 4,513,755         | 4,513,755              | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                      | <b>Subtotal Production</b>                                 | <b>4,513,755</b>  | <b>4,513,755</b>       | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b>    |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 3                      | Lines                                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                      | Terminals                                                  | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                      | <b>Subtotal Transmission</b>                               | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>      | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b>    |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 6                      | Other                                                      | 797,760           | 10,641                 | -                                       | -                        | 59,627                  | 433,851                   | 100,116        | 15,571                        | 42,967        | 68,940                      | 19,106        | 39,325                 | -                    | 7,616                         | -                        | -                                   |
| 7                      | Meters                                                     | 17,975            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | 17,975               | -                             | -                        | -                                   |
| 8                      | <b>Subtotal Distribution</b>                               | <b>815,735</b>    | <b>10,641</b>          | <b>-</b>                                | <b>-</b>                 | <b>59,627</b>           | <b>433,851</b>            | <b>100,116</b> | <b>15,571</b>                 | <b>42,967</b> | <b>68,940</b>               | <b>19,106</b> | <b>39,325</b>          | <b>17,975</b>        | <b>7,616</b>                  | <b>-</b>                 | <b>-</b>                            |
| 9                      | <b>Subtotal Production Transmission &amp; Distribution</b> | <b>5,329,490</b>  | <b>4,524,395</b>       | <b>-</b>                                | <b>-</b>                 | <b>59,627</b>           | <b>433,851</b>            | <b>100,116</b> | <b>15,571</b>                 | <b>42,967</b> | <b>68,940</b>               | <b>19,106</b> | <b>39,325</b>          | <b>17,975</b>        | <b>7,616</b>                  | <b>-</b>                 | <b>-</b>                            |
| 10                     | Customer Accounting                                        | 194,341           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | 194,341                  | -                                   |
| <b>Overheads</b>       |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| <b>Plant-Related</b>   |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 11                     | Production                                                 | 373,124           | 373,124                | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                     | Transmission                                               | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 13                     | Distribution                                               | 171,561           | 29,456                 | -                                       | -                        | 13,709                  | 66,732                    | 18,494         | 3,164                         | 8,731         | 13,923                      | 3,859         | 7,768                  | 3,704                | 2,022                         | -                        | -                                   |
| 14                     | Prod, Trans, Distrn Plant                                  | 41,840            | 33,568                 | -                                       | -                        | 798                     | 3,884                     | 1,077          | 184                           | 508           | 810                         | 225           | 452                    | 216                  | 118                           | -                        | -                                   |
| 15                     | Telecontrol Plant                                          | 1,334             | 1,334                  | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 16                     | Prod, Trans, Distrn and Gen Plt                            | 415,599           | 333,469                | -                                       | -                        | 7,923                   | 38,568                    | 10,689         | 1,829                         | 5,046         | 8,047                       | 2,230         | 4,490                  | 2,141                | 1,169                         | -                        | -                                   |
| <b>Expense Related</b> |                                                            |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 17                     | Property Insurance                                         | 21,523            | 20,923                 | -                                       | -                        | 497                     | 53                        | 15             | 3                             | 7             | 11                          | 3             | 6                      | 3                    | 2                             | -                        | -                                   |
| 18                     | Municipal Tax                                              | 87,461            | 1,141                  | -                                       | -                        | 6,393                   | 46,517                    | 10,734         | 1,670                         | 4,607         | 7,392                       | 2,049         | 4,216                  | 1,927                | 817                           | -                        | -                                   |
| 19                     | Other Expense Related                                      | 2,889,570         | 2,366,755              | -                                       | -                        | 31,191                  | 226,952                   | 52,372         | 8,145                         | 22,477        | 36,063                      | 9,995         | 20,571                 | 9,403                | 3,984                         | 101,661                  | -                                   |
| 20                     | <b>Subtotal Overheads</b>                                  | <b>4,002,012</b>  | <b>3,159,771</b>       | <b>-</b>                                | <b>-</b>                 | <b>60,511</b>           | <b>382,706</b>            | <b>93,380</b>  | <b>14,994</b>                 | <b>41,375</b> | <b>66,246</b>               | <b>18,359</b> | <b>37,504</b>          | <b>17,393</b>        | <b>8,111</b>                  | <b>101,661</b>           | <b>-</b>                            |
| 21                     | <b>Total Operating &amp; Maintenance Expenses</b>          | <b>9,525,842</b>  | <b>7,684,166</b>       | <b>-</b>                                | <b>-</b>                 | <b>120,138</b>          | <b>816,557</b>            | <b>193,496</b> | <b>30,565</b>                 | <b>84,342</b> | <b>135,186</b>              | <b>37,465</b> | <b>76,829</b>          | <b>35,368</b>        | <b>15,727</b>                 | <b>296,002</b>           | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

| Line No. | Description                                                | Basis of Functional Classification                                                                       |
|----------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                          |                                                                                                          |
| 1        | Diesel                                                     | Production - Demand, Energy ratios Sch.4.3 L.8                                                           |
| 2        | <b>Subtotal Production</b>                                 |                                                                                                          |
|          | <b>Transmission</b>                                        |                                                                                                          |
| 3        | Lines                                                      | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                            |
| 4        | Terminals                                                  | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                                |
| 5        | <b>Subtotal Transmission</b>                               |                                                                                                          |
|          | <b>Distribution</b>                                        |                                                                                                          |
| 6        | Other                                                      | Production, Distribution, except Meters- ratios Sch. 4.3 L. 36                                           |
| 7        | Meters                                                     | Meters - Customer                                                                                        |
| 8        | <b>Subtotal Distribution</b>                               |                                                                                                          |
| 9        | <b>Subtotal Production Transmission &amp; Distribution</b> |                                                                                                          |
| 10       | Customer Accounting                                        | Accounting - Customer                                                                                    |
|          | <b>Overheads</b>                                           |                                                                                                          |
|          | <b>Plant-Related</b>                                       |                                                                                                          |
| 11       | Production                                                 | Prorated on Production Plant in Service - Sch.2.2 L.2                                                    |
| 12       | Transmission                                               | Prorated on Transmission Plant in Service - Sch.2.2 L. 5                                                 |
| 13       | Distribution                                               | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                                 |
| 14       | Prod, Trans, Distr Plant                                   | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 17                      |
| 15       | Telecontrol Plant                                          | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                              |
| 16       | Prod, Trans, Distr and Gen Plt                             | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.22             |
|          | <b>Expense Related</b>                                     |                                                                                                          |
| 17       | Property Insurance                                         | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18, 19, 20 |
| 18       | Municipal Tax                                              | Prorated on Distribution O&M Expenses - L.8                                                              |
| 19       | Other Expense Related                                      | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18, 19, 20 |
| 20       | <b>Subtotal Overheads</b>                                  | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10               |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b>          |                                                                                                          |

| NEWFOUNDLAND & LABRADOR HYDRO                     |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
|---------------------------------------------------|----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|--------|-------------------------------|--------|-----------------------------|-------|------------------------|----------------------|-------------------------------|----|--------------------------|-------------------------------------|
| 2001 Actual Cost of Service - Interim Methodology |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| Labrador Isolated                                 |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| Functional Classification of Depreciation Expense |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| 1                                                 | 2                          | 3                 | 4                      | 5                                       | 6                        | 7                       | 8                         | 9      | 10                            | 11     | 12                          | 13    | 14                     | 15                   | 16                            | 17 |                          |                                     |
| Line No.                                          | Description                | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |                           |        |                               |        |                             |       |                        |                      |                               |    | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                                                   |                            |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines Demand (\$) |        | Line Transformers Demand (\$) |        | Secondary Lines Demand (\$) |       | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |    |                          |                                     |
| Production                                        |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| 1                                                 | Diesel                     | 1,260,843         | 1,260,843              | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 2                                                 | Subtotal Production        | 1,260,843         | 1,260,843              | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| Transmission                                      |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| 3                                                 | Lines                      | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 4                                                 | Terminal Stations          | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 5                                                 | Subtotal Transmission      | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| Distribution                                      |                            |                   |                        |                                         |                          |                         |                           |        |                               |        |                             |       |                        |                      |                               |    |                          |                                     |
| 6                                                 | Substations                | 77,489            | 54,184                 | -                                       | -                        | 23,305                  | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 7                                                 | Land & Land Improvements   | 228               | -                      | -                                       | -                        | -                       | 152                       | 42     | -                             | -      | 27                          | 7     | -                      | -                    | -                             | -  | -                        |                                     |
| 8                                                 | Poles                      | 85,584            | -                      | -                                       | -                        | -                       | 55,620                    | 15,415 | -                             | -      | 10,722                      | 2,971 | 856                    | -                    | -                             | -  | -                        |                                     |
| 9                                                 | Primary Conductor&Eqpt     | 19,221            | -                      | -                                       | -                        | -                       | 15,050                    | 4,171  | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 10                                                | Submarine Conductor        | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 11                                                | Transformers               | 15,059            | -                      | -                                       | -                        | -                       | -                         | -      | 4,006                         | 11,053 | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 12                                                | Secondary Condctr & Equip  | 4,711             | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | 3,689                       | 1,022 | -                      | -                    | -                             | -  | -                        |                                     |
| 13                                                | Services                   | 10,279            | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | 10,279                 | -                    | -                             | -  | -                        |                                     |
| 14                                                | Meters                     | 6,453             | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | 6,453                | -                             | -  | -                        |                                     |
| 15                                                | Street Lighting            | 3,058             | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | 3,058                         | -  | -                        |                                     |
| 16                                                | Subtotal Distribution      | 222,081           | 54,184                 | -                                       | -                        | 23,305                  | 70,822                    | 19,628 | 4,006                         | 11,053 | 14,437                      | 4,001 | 11,135                 | 6,453                | 3,058                         | -  | -                        |                                     |
| 17                                                | Subtotal Prod Tran & Dist  | 1,482,925         | 1,315,027              | -                                       | -                        | 23,305                  | 70,822                    | 19,628 | 4,006                         | 11,053 | 14,437                      | 4,001 | 11,135                 | 6,453                | 3,058                         | -  | -                        |                                     |
| 18                                                | General                    | 49,686            | 44,060                 | -                                       | -                        | 781                     | 2,373                     | 658    | 134                           | 370    | 484                         | 134   | 373                    | 216                  | 102                           | -  | -                        |                                     |
| 19                                                | Telecontrol - Common       | 1,510             | 1,510                  | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 20                                                | Telecontrol - Specific     | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 21                                                | Feasibility Studies        | -                 | -                      | -                                       | -                        | -                       | -                         | -      | -                             | -      | -                           | -     | -                      | -                    | -                             | -  | -                        |                                     |
| 22                                                | Total Depreciation Expense | 1,534,121         | 1,360,597              | -                                       | -                        | 24,086                  | 73,195                    | 20,285 | 4,140                         | 11,423 | 14,921                      | 4,135 | 11,508                 | 6,669                | 3,161                         | -  | -                        |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Basis of Allocation to Classes of Service**

|             | 1                                 | 2                       | 3                                        | 4                                                               | 5                                          | 6                                        | 7                         | 8                              | 9                         | 10                             | 11                        | 12                             | 13                                           | 14                                             | 15                                  | 16                                             | 17                                           |
|-------------|-----------------------------------|-------------------------|------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|------------------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|----------------------------------------------|------------------------------------------------|-------------------------------------|------------------------------------------------|----------------------------------------------|
| Line<br>No. | Description                       | Total<br>Amount<br>(\$) | Production<br>Demand<br>(\$)<br>(AED kW) | Production and<br>Transmission<br>Energy<br>(\$)<br>(MWh @ Gen) | Transmission<br>Demand<br>(\$)<br>(AED kW) | Distribution                             |                           |                                |                           |                                |                           |                                |                                              |                                                |                                     | Accounting<br>Customer<br>(\$)<br>(Rural Cust) | Specifically<br>Assigned<br>Customer<br>(\$) |
|             |                                   |                         |                                          |                                                                 |                                            | Substations<br>Demand<br>(\$)<br>(CP kW) | Primary Lines             |                                | Line Transformers         |                                | Secondary Lines           |                                | Services<br>Customer<br>(\$)<br>(Wtd Rural C | Meters<br>Customer<br>(\$)<br>(Wtd Rural Cust) | Street Lighting<br>Customer<br>(\$) |                                                |                                              |
|             |                                   |                         |                                          |                                                                 |                                            |                                          | Demand<br>(\$)<br>(CP kW) | Demand<br>(\$)<br>(Rural Cust) | Demand<br>(\$)<br>(CP kW) | Demand<br>(\$)<br>(Rural Cust) | Demand<br>(\$)<br>(CP kW) | Demand<br>(\$)<br>(Rural Cust) |                                              |                                                |                                     |                                                |                                              |
| Amounts     |                                   |                         |                                          |                                                                 |                                            |                                          |                           |                                |                           |                                |                           |                                |                                              |                                                |                                     |                                                |                                              |
| 1           | 1.2 Domestic Diesel               | -                       | 4,684                                    | 19,944                                                          | 4,644                                      | 6,235                                    | 5,921                     | 1,967                          | 5,833                     | 1,967                          | 5,676                     | 1,967                          | 1,967                                        | 1,967                                          | -                                   | 1,967                                          | -                                            |
| 2           | 1.2G Government Domestic Diesel   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 3           | 1.23 Churches & Schools           | -                       | 616                                      | 1,722                                                           | 611                                        | 308                                      | 292                       | 46                             | 288                       | 46                             | 280                       | 46                             | 46                                           | 46                                             | -                                   | 46                                             | -                                            |
| 4           | 2.2 General Service 10-100 kW     | -                       | 170                                      | 550                                                             | 168                                        | 64                                       | 61                        | 6                              | 60                        | 6                              | 58                        | 6                              | 48                                           | 48                                             | -                                   | 6                                              | -                                            |
| 5           | 2.3 General Service 110-1,000 kVa | -                       | 947                                      | 2,630                                                           | 938                                        | 194                                      | 184                       | 8                              | 181                       | 8                              | 177                       | 8                              | 66                                           | 66                                             | -                                   | 8                                              | -                                            |
| 6           | 2.4 General Service over 1000 kVa | -                       | 557                                      | 1,924                                                           | 552                                        | -                                        | -                         | 1                              | -                         | 1                              | -                         | 1                              | 7                                            | 7                                              | -                                   | 1                                              | -                                            |
| 7           | 2.5 General Service Diesel        | -                       | 2,068                                    | 9,001                                                           | 2,050                                      | 2,132                                    | 2,025                     | 418                            | 1,995                     | 418                            | 1,941                     | 418                            | 837                                          | 837                                            | -                                   | 418                                            | -                                            |
| 8           | 2.5G Government General Service D | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 9           | 4.1 Street and Area Lighting      | -                       | 56                                       | 250                                                             | 55                                         | 83                                       | 79                        | 73                             | 78                        | 73                             | 76                        | 73                             | -                                            | -                                              | 1                                   | 73                                             | -                                            |
| 10          | 4.1G Government Street Lighting   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 11          | Total                             | -                       | 9,097                                    | 36,019                                                          | 9,018                                      | 9,016                                    | 8,562                     | 2,519                          | 8,434                     | 2,519                          | 8,207                     | 2,519                          | 2,971                                        | 2,971                                          | 1                                   | 2,519                                          | -                                            |
| Ratios      |                                   |                         |                                          |                                                                 |                                            |                                          |                           |                                |                           |                                |                           |                                |                                              |                                                |                                     |                                                |                                              |
| 12          | 1.2 Domestic Diesel               | -                       | 0.5149                                   | 0.5537                                                          | 0.5149                                     | 0.6916                                   | 0.6916                    | 0.7810                         | 0.6916                    | 0.7810                         | 0.6916                    | 0.7810                         | 0.6623                                       | 0.6623                                         | -                                   | 0.7810                                         | -                                            |
| 13          | 1.2G Government Domestic Diesel   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 14          | 1.23 Churches & Schools           | -                       | 0.0678                                   | 0.0478                                                          | 0.0677                                     | 0.0341                                   | 0.0341                    | 0.0182                         | 0.0341                    | 0.0182                         | 0.0341                    | 0.0182                         | 0.0154                                       | 0.0154                                         | -                                   | 0.0182                                         | -                                            |
| 15          | 2.2 General Service 10-100 kW     | -                       | 0.0187                                   | 0.0153                                                          | 0.0187                                     | 0.0071                                   | 0.0071                    | 0.0023                         | 0.0071                    | 0.0023                         | 0.0071                    | 0.0023                         | 0.0161                                       | 0.0161                                         | -                                   | 0.0023                                         | -                                            |
| 16          | 2.3 General Service 110-1,000 kVa | -                       | 0.1040                                   | 0.0730                                                          | 0.1040                                     | 0.0215                                   | 0.0215                    | 0.0030                         | 0.0215                    | 0.0030                         | 0.0215                    | 0.0030                         | 0.0221                                       | 0.0221                                         | -                                   | 0.0030                                         | -                                            |
| 17          | 2.4 General Service over 1000 kVa | -                       | 0.0612                                   | 0.0534                                                          | 0.0612                                     | -                                        | -                         | 0.0003                         | -                         | 0.0003                         | -                         | 0.0003                         | 0.0024                                       | 0.0024                                         | -                                   | 0.0003                                         | -                                            |
| 18          | 2.5 General Service Diesel        | -                       | 0.2273                                   | 0.2499                                                          | 0.2273                                     | 0.2365                                   | 0.2365                    | 0.1661                         | 0.2365                    | 0.1661                         | 0.2365                    | 0.1661                         | 0.2817                                       | 0.2817                                         | -                                   | 0.1661                                         | -                                            |
| 19          | 2.5G Government General Service D | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 20          | 4.1 Street and Area Lighting      | -                       | 0.0061                                   | 0.0069                                                          | 0.0061                                     | 0.0093                                   | 0.0093                    | 0.0289                         | 0.0093                    | 0.0289                         | 0.0093                    | 0.0289                         | -                                            | -                                              | 1.0000                              | 0.0289                                         | -                                            |
| 21          | 4.1G Government Street Lighting   | -                       | -                                        | -                                                               | -                                          | -                                        | -                         | -                              | -                         | -                              | -                         | -                              | -                                            | -                                              | -                                   | -                                              | -                                            |
| 22          | Total                             | -                       | 1.0000                                   | 1.0000                                                          | 1.0000                                     | 1.0000                                   | 1.0000                    | 1.0000                         | 1.0000                    | 1.0000                         | 1.0000                    | 1.0000                         | 1.0000                                       | 1.0000                                         | 1.0000                              | 1.0000                                         | -                                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**

**Allocation of Functionalized Amounts to Classes of Service**

| Line No.                                                        | 1                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-----------------------------------------------------------------|-----------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                                                                 | Description                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Allocated Revenue Requirement Excl Interest &amp; Margin</b> |                                   |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |               |                        |                      |                               |                          |                                     |
| 1                                                               | 1.2 Domestic Diesel               | 9,202,907         | 4,636,080              | 3,160,358                               | -                        | 99,473                  | 600,872                   | 162,612        | 23,901                        | 74,484         | 101,130                     | 31,652        | 58,100                 | 27,732               | -                             | 226,514                  | -                                   |
| 2                                                               | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 3                                                               | 1.23 Churches & Schools           | 937,199           | 610,143                | 272,802                                 | -                        | 4,907                   | 29,641                    | 3,788          | 1,179                         | 1,735          | 4,989                       | 737           | 1,353                  | 646                  | -                             | 5,277                    | -                                   |
| 4                                                               | 2.2 General Service 10-100 kW     | 267,362           | 168,257                | 87,096                                  | -                        | 1,017                   | 6,142                     | 489            | 244                           | 224            | 1,034                       | 95            | 1,410                  | 673                  | -                             | 681                      | -                                   |
| 5                                                               | 2.3 General Service 110-1,000 kVa | 1,384,094         | 936,863                | 416,758                                 | -                        | 3,095                   | 18,693                    | 634            | 744                           | 290            | 3,146                       | 123           | 1,941                  | 926                  | -                             | 883                      | -                                   |
| 6                                                               | 2.4 General Service over 1000 kVa | 856,212           | 550,876                | 304,815                                 | -                        | -                       | -                         | 69             | -                             | 32             | -                           | 13            | 211                    | 101                  | -                             | 96                       | -                                   |
| 7                                                               | 2.5 General Service Diesel        | 3,897,194         | 2,046,736              | 1,426,398                               | -                        | 34,013                  | 205,458                   | 34,583         | 8,173                         | 15,841         | 34,579                      | 6,732         | 24,712                 | 11,796               | -                             | 48,173                   | -                                   |
| 8                                                               | 2.5G Government General Service D | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 9                                                               | 4.1 Street and Area Lighting      | 143,029           | 55,192                 | 39,612                                  | -                        | 1,331                   | 8,043                     | 6,027          | 320                           | 2,761          | 1,354                       | 1,173         | -                      | -                    | 18,823                        | 8,395                    | -                                   |
| 10                                                              | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                                                              | <b>Total</b>                      | <b>16,687,997</b> | <b>9,004,146</b>       | <b>5,707,838</b>                        | <b>-</b>                 | <b>143,835</b>          | <b>868,848</b>            | <b>208,202</b> | <b>34,561</b>                 | <b>95,367</b>  | <b>146,231</b>              | <b>40,526</b> | <b>87,727</b>          | <b>41,873</b>        | <b>18,823</b>                 | <b>290,019</b>           | <b>-</b>                            |
| <b>Allocated Interest</b>                                       |                                   |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |               |                        |                      |                               |                          |                                     |
| 12                                                              | 1.2 Domestic Diesel               | 810,072           | 604,213                | -                                       | -                        | 33,270                  | 86,324                    | 27,018         | 4,650                         | 14,492         | 17,332                      | 5,425         | 11,908                 | 5,439                | -                             | -                        | -                                   |
| 13                                                              | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 14                                                              | 1.23 Churches & Schools           | 88,001            | 79,519                 | -                                       | -                        | 1,641                   | 4,258                     | 629            | 229                           | 338            | 855                         | 126           | 277                    | 127                  | -                             | -                        | -                                   |
| 15                                                              | 2.2 General Service 10-100 kW     | 23,938            | 21,929                 | -                                       | -                        | 340                     | 882                       | 81             | 48                            | 44             | 177                         | 16            | 289                    | 132                  | -                             | -                        | -                                   |
| 16                                                              | 2.3 General Service 110-1,000 kVa | 127,267           | 122,100                | -                                       | -                        | 1,035                   | 2,685                     | 105            | 145                           | 56             | 539                         | 21            | 398                    | 182                  | -                             | -                        | -                                   |
| 17                                                              | 2.4 General Service over 1000 kVa | 71,878            | 71,795                 | -                                       | -                        | -                       | -                         | 11             | -                             | 6              | -                           | 2             | 43                     | 20                   | -                             | -                        | -                                   |
| 18                                                              | 2.5 General Service Diesel        | 332,518           | 266,748                | -                                       | -                        | 11,376                  | 29,517                    | 5,746          | 1,590                         | 3,082          | 5,926                       | 1,154         | 5,065                  | 2,313                | -                             | -                        | -                                   |
| 19                                                              | 2.5G Government General Service D | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 20                                                              | 4.1 Street and Area Lighting      | 15,410            | 7,193                  | -                                       | -                        | 445                     | 1,155                     | 1,001          | 62                            | 537            | 232                         | 201           | -                      | -                    | 4,582                         | -                        | -                                   |
| 21                                                              | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                                                              | <b>Total</b>                      | <b>1,469,083</b>  | <b>1,173,497</b>       | <b>-</b>                                | <b>-</b>                 | <b>48,108</b>           | <b>124,823</b>            | <b>34,593</b>  | <b>6,724</b>                  | <b>18,555</b>  | <b>25,062</b>               | <b>6,946</b>  | <b>17,981</b>          | <b>8,212</b>         | <b>4,582</b>                  | <b>-</b>                 | <b>-</b>                            |
| <b>Allocated Margin</b>                                         |                                   |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |               |                        |                      |                               |                          |                                     |
| 23                                                              | All Classes                       | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Total Allocated Revenue Requirement</b>                      |                                   |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |               |                        |                      |                               |                          |                                     |
| 24                                                              | 1.2 Domestic Diesel               | 10,012,979        | 5,240,293              | 3,160,358                               | -                        | 132,743                 | 687,196                   | 189,631        | 28,552                        | 88,976         | 118,462                     | 37,077        | 70,008                 | 33,170               | -                             | 226,514                  | -                                   |
| 25                                                              | 1.2G Government Domestic Diesel   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 26                                                              | 1.23 Churches & Schools           | 1,025,199         | 689,662                | 272,802                                 | -                        | 6,548                   | 33,900                    | 4,418          | 1,408                         | 2,073          | 5,844                       | 864           | 1,631                  | 773                  | -                             | 5,277                    | -                                   |
| 27                                                              | 2.2 General Service 10-100 kW     | 291,300           | 190,186                | 87,096                                  | -                        | 1,357                   | 7,024                     | 570            | 292                           | 268            | 1,211                       | 112           | 1,699                  | 805                  | -                             | 681                      | -                                   |
| 28                                                              | 2.3 General Service 110-1,000 kVa | 1,511,361         | 1,058,963              | 416,758                                 | -                        | 4,130                   | 21,378                    | 739            | 888                           | 347            | 3,685                       | 144           | 2,338                  | 1,108                | -                             | 883                      | -                                   |
| 29                                                              | 2.4 General Service over 1000 kVa | 928,090           | 622,670                | 304,815                                 | -                        | -                       | -                         | 80             | -                             | 38             | -                           | 16            | 254                    | 120                  | -                             | 96                       | -                                   |
| 30                                                              | 2.5 General Service Diesel        | 4,229,712         | 2,313,484              | 1,426,398                               | -                        | 45,389                  | 234,975                   | 40,329         | 9,763                         | 18,923         | 40,506                      | 7,885         | 29,778                 | 14,109               | -                             | 48,173                   | -                                   |
| 31                                                              | 2.5G Government General Service D | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 32                                                              | 4.1 Street and Area Lighting      | 158,439           | 62,385                 | 39,612                                  | -                        | 1,777                   | 9,198                     | 7,028          | 382                           | 3,298          | 1,586                       | 1,374         | -                      | -                    | 23,404                        | 8,395                    | -                                   |
| 33                                                              | 4.1G Government Street Lighting   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 34                                                              | <b>Total</b>                      | <b>18,157,079</b> | <b>10,177,643</b>      | <b>5,707,838</b>                        | <b>-</b>                 | <b>191,943</b>          | <b>993,671</b>            | <b>242,796</b> | <b>41,285</b>                 | <b>113,922</b> | <b>171,293</b>              | <b>47,472</b> | <b>105,708</b>         | <b>50,085</b>        | <b>23,404</b>                 | <b>290,019</b>           | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Functional Classification of Revenue Requirement

|                 | 1                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13                     | 14                   | 15                            | 16      | 17                       |                                     |
|-----------------|---------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|---------|--------------------------|-------------------------------------|
| Line No.        | Description                                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |                        |                      |                               |         | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                 |                                                   |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |         |                          |                                     |
|                 |                                                   |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |         |                          |                                     |
| Expenses        |                                                   |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |         |                          |                                     |
| 1               | Operating & Maintenance                           | 842,397           | 367,849                | -                                       | -                        | 21,128                  | 184,765       | 44,242        | 6,102             | 16,837        | 30,922          | 8,570         | 15,508                 | 29,369               | 3,023                         | 114,081 | -                        |                                     |
| 2               | Fuels-Diesel                                      | 34,317            | -                      | 34,317                                  | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 3               | Fuels-Gas Turbine                                 | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 4               | Power Purchases -CF(L)Co                          | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 5               | Power Purchases-Other                             | 638,328           | -                      | 638,328                                 | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 6               | Depreciation                                      | 351,093           | 144,848                | -                                       | -                        | 1,239                   | 119,494       | 33,116        | 2,725             | 7,520         | 24,504          | 6,791         | 5,826                  | 3,716                | 1,314                         | -       | -                        |                                     |
| Expense Credits |                                                   |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |         |                          |                                     |
| 7               | Sundry                                            | (4,982)           | (2,176)                | -                                       | -                        | (125)                   | (1,093)       | (262)         | (36)              | (100)         | (183)           | (51)          | (92)                   | (174)                | (18)                          | (675)   | -                        |                                     |
| 8               | Building Rental Income                            | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 9               | Tax Refunds                                       | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 10              | Suppliers' Discounts                              | (535)             | (234)                  | -                                       | -                        | (13)                    | (117)         | (28)          | (4)               | (11)          | (20)            | (5)           | (10)                   | (19)                 | (2)                           | (72)    | -                        |                                     |
| 11              | Pole Attachments                                  | (22,413)          | -                      | -                                       | -                        | -                       | (14,566)      | (4,037)       | -                 | -             | (2,808)         | (778)         | (224)                  | -                    | -                             | -       | -                        |                                     |
| 12              | Secondary Energy Revenues                         | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 13              | Wheeling Revenues                                 | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 14              | Misc Customer Revenues                            | (72)              | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | (72)    | -                        |                                     |
| 15              | Application Fees                                  | (840)             | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | (840)   | -                        |                                     |
| 16              | Total Expense Credits                             | (28,842)          | (2,409)                | -                                       | -                        | (138)                   | (15,776)      | (4,327)       | (40)              | (110)         | (3,010)         | (834)         | (326)                  | (192)                | (20)                          | (1,659) | -                        |                                     |
| 17              | Subtotal Expenses                                 | 1,837,292         | 510,288                | 672,645                                 | -                        | 22,229                  | 288,482       | 73,032        | 8,787             | 24,247        | 52,416          | 14,527        | 21,008                 | 32,893               | 4,317                         | 112,422 | -                        |                                     |
| 18              | Disposal Gain / Loss                              | 8,138             | 1,992                  | -                                       | -                        | 39                      | 3,636         | 1,008         | 68                | 187           | 721             | 200           | 166                    | 86                   | 35                            | -       | -                        |                                     |
| 19              | Subtotal Revenue Reqmt Before Interest and Margin | 1,845,430         | 512,281                | 672,645                                 | -                        | 22,268                  | 292,118       | 74,039        | 8,855             | 24,434        | 53,137          | 14,726        | 21,175                 | 32,978               | 4,352                         | 112,422 | -                        |                                     |
| 20              | Interest                                          | 392,473           | 96,097                 | -                                       | -                        | 1,884                   | 175,359       | 48,599        | 3,271             | 9,025         | 34,768          | 9,635         | 8,013                  | 4,134                | 1,688                         | -       | -                        |                                     |
| 21              | Margin                                            | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -       | -                        |                                     |
| 22              | Total Revenue Requirement                         | 2,237,903         | 608,377                | 672,645                                 | -                        | 24,152                  | 467,477       | 122,638       | 12,125            | 33,459        | 87,904          | 24,362        | 29,188                 | 37,113               | 6,041                         | 112,422 | -                        |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**L'Anse au Loup**  
**Functional Classification of Revenue Requirement - Documentation**

2

| Line No. | 1                                                        | 2                                                                                    |
|----------|----------------------------------------------------------|--------------------------------------------------------------------------------------|
|          | Description                                              | Basis of Functional Classification                                                   |
|          | <b>Expenses</b>                                          |                                                                                      |
| 1        | Operating & Maintenance                                  | Carryforward from Sch.2.4 L.20                                                       |
| 2        | Fuels-Diesel                                             | Production - Energy                                                                  |
| 3        | Fuels-Gas Turbine                                        | Production - Energy                                                                  |
| 4        | Power Purchases -CF(L)Co                                 | Production - Demand, Energy split based on Detailed Analysis                         |
| 5        | Power Purchases-Other                                    | Production - Demand, Energy split based on Detailed Analysis                         |
| 6        | Depreciation                                             | Carryforward from Sch.2.5 L.22                                                       |
|          | <b>Expense Credits</b>                                   |                                                                                      |
| 7        | Sundry                                                   | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 8        | Building Rental Income                                   | Prorated on General Plant - Sch.2.2 L.18                                             |
| 9        | Tax Refunds                                              | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 10       | Suppliers' Discounts                                     | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 11       | Pole Attachments                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27 |
| 12       | Secondary Energy Revenues                                | Production - Energy                                                                  |
| 13       | Wheeling Revenues                                        | Transmission - Demand, Energy ratios Sch.4.3 L. 14                                   |
| 14       | Misc Customer Revenues                                   | Accounting - Customer                                                                |
| 14       | Application Fees                                         | Accounting - Customer                                                                |
| 15       | <b>Total Expense Credits</b>                             |                                                                                      |
| 16       | <b>Subtotal Expenses</b>                                 |                                                                                      |
| 17       | Disposal Gain / Loss                                     | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 18       | <b>Subtotal Revenue Reqmt Before Interest and Margin</b> |                                                                                      |
| 19       | Interest                                                 | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 20       | Margin                                                   | Prorated on Total Net Book Value - Sch.2.3 L.22                                      |
| 21       | <b>Total Revenue Requirement</b>                         |                                                                                      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Functional Classification of Plant in Service for the Allocation of O&M Expense

|              | 1                                                | 2          | 3          | 4            | 5            | 6            | 7             | 8         | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17       |  |
|--------------|--------------------------------------------------|------------|------------|--------------|--------------|--------------|---------------|-----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|--|
|              |                                                  |            |            |              |              | Distribution |               |           |                   |          |                 |          |          |          |                 |            |          |  |
| Line         |                                                  | Total      | Production | Transmission | Transmission | Substations  | Primary Lines |           | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |  |
| No.          | Description                                      | Amount     | Demand     | Energy       | Demand       | Demand       | Demand        | Customer  | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |  |
|              |                                                  | (\$)       | (\$)       | (\$)         | (\$)         | (\$)         | (\$)          | (\$)      | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |  |
| Production   |                                                  |            |            |              |              |              |               |           |                   |          |                 |          |          |          |                 |            |          |  |
| 1            | Diesel                                           | 3,130,695  | 3,130,695  | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 2            | Subtotal Production                              | 3,130,695  | 3,130,695  | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| Transmission |                                                  |            |            |              |              |              |               |           |                   |          |                 |          |          |          |                 |            |          |  |
| 3            | Lines                                            | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 4            | Terminal Stations                                | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 5            | Subtotal Transmission                            | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| Distribution |                                                  |            |            |              |              |              |               |           |                   |          |                 |          |          |          |                 |            |          |  |
| 6            | Substations                                      | 90,204     | 44,995     | -            | -            | 45,210       | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 7            | Land & Land Improvements                         | 15,995     | -          | -            | -            | -            | 10,645        | 2,950     | -                 | -        | 1,879           | 521      | -        | -        | -               | -          | -        |  |
| 8            | Poles                                            | 4,771,200  | -          | -            | -            | -            | 3,100,755     | 859,341   | -                 | -        | 597,736         | 165,656  | 47,712   | -        | -               | -          | -        |  |
| 9            | Primary Conductor&Eqpt                           | 732,567    | -          | -            | -            | -            | 573,600       | 158,967   | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 10           | Submarine Conductor                              | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 11           | Transformers                                     | 285,279    | -          | -            | -            | -            | -             | -         | 75,884            | 209,395  | -               | -        | -        | -        | -               | -          | -        |  |
| 12           | Secondary Condctr & Equip                        | 194,523    | -          | -            | -            | -            | -             | -         | -                 | -        | 152,312         | 42,212   | -        | -        | -               | -          | -        |  |
| 13           | Services                                         | 154,389    | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | 154,389  | -        | -               | -          | -        |  |
| 14           | Meters                                           | 93,152     | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | 93,152   | -               | -          | -        |  |
| 15           | Street Lighting                                  | 41,236     | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | 41,236          | -          | -        |  |
| 16           | Subtotal Distribution                            | 6,378,546  | 44,995     | -            | -            | 45,210       | 3,685,001     | 1,021,258 | 75,884            | 209,395  | 751,926         | 208,388  | 202,101  | 93,152   | 41,236          | -          | -        |  |
| 17           | Subtotal Production, Transmission & Distribution | 9,509,241  | 3,175,690  | -            | -            | 45,210       | 3,685,001     | 1,021,258 | 75,884            | 209,395  | 751,926         | 208,388  | 202,101  | 93,152   | 41,236          | -          | -        |  |
| 18           | General                                          | 626,782    | 209,319    | -            | -            | 2,980        | 242,889       | 67,314    | 5,002             | 13,802   | 49,562          | 13,735   | 13,321   | 6,140    | 2,718           | -          | -        |  |
| 19           | Telecontrol - Common                             | 75,906     | 75,906     | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 20           | Telecontrol - Specific                           | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 21           | Feasibility Studies                              | -          | -          | -            | -            | -            | -             | -         | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |
| 22           | Total Plant                                      | 10,211,929 | 3,460,915  | -            | -            | 48,190       | 3,927,890     | 1,088,572 | 80,886            | 223,197  | 801,488         | 222,124  | 215,422  | 99,292   | 43,954          | -          | -        |  |

NEWFOUNDLAND & LABRADOR HYDRO  
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L'Anse au Loup

Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No.            | Description                                                 | Basis of Functional Classification                                                                         |
|---------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                                             |                                                                                                            |
| 1                   | Diesel                                                      | Production - Demand, Energy ratios Sch.4.3 L.8                                                             |
| 2                   | <b>Subtotal Production</b>                                  |                                                                                                            |
| <b>Transmission</b> |                                                             |                                                                                                            |
| 3                   | Lines                                                       | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Specifically Assigned - Customer |
| 4                   | Terminal Stations                                           | Production, Transmission - Demand, Energy; Specifically Assigned - Customer                                |
| 5                   | <b>Subtotal Transmission</b>                                |                                                                                                            |
| <b>Distribution</b> |                                                             |                                                                                                            |
| 6                   | Substations                                                 | Production - Demand; Distribution Substations - Demand                                                     |
| 7                   | Land & Land Improvements                                    | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.3 L.22                                 |
| 8                   | Poles                                                       | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27                       |
| 9                   | Primary Conductor&Eqpt                                      | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.28                       |
| 10                  | Submarine Conductor                                         | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.29                       |
| 11                  | Transformers                                                | Transformers - Demand, Customer - zero intercept ratios Sch.4.3 L.30                                       |
| 12                  | Secondary Conductor & Equip                                 | Secondary - Demand, Customer - zero intercept ratios Sch. 4.3 L. 31                                        |
| 13                  | Services                                                    | Services Customer                                                                                          |
| 14                  | Meters                                                      | Meters - Customer                                                                                          |
| 15                  | Street Lighting                                             | Street Lighting - Customer                                                                                 |
| 16                  | <b>Subtotal Distribution</b>                                |                                                                                                            |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> |                                                                                                            |
| 18                  | General                                                     | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                                 |
| 19                  | Telecontrol - Common                                        | Prorated on functionalized Production & Transmission plant - L. 2, 5                                       |
| 20                  | Telecontrol - Specific                                      | Specifically Assigned - Customer                                                                           |
| 21                  | Feasibility Studies                                         | Production, Transmission - Demand                                                                          |
| 22                  | <b>Total Plant</b>                                          |                                                                                                            |

NEWFOUNDLAND & LABRADOR HYDRO  
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L'Anse au Loup  
Functional Classification of Net Book Value

| Line No.            | 1                                                           | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|-------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                                                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                                      | 1,135,296         | 1,135,296              | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>                                  | <b>1,135,296</b>  | <b>1,135,296</b>       | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                                       | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                                           | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>                                | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                                             |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substations                                                 | 25,152            | 1,993                  | -                                       | -                        | 23,160                  | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements                                    | 9,270             | -                      | -                                       | -                        | -                       | 6,170                     | 1,710          | -                             | -              | 1,089                       | 302            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                                       | 2,913,159         | -                      | -                                       | -                        | -                       | 1,893,233                 | 524,689        | -                             | -              | 364,961                     | 101,145        | 29,132                 | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor&Eqpt                                      | 327,084           | -                      | -                                       | -                        | -                       | 256,107                   | 70,977         | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                                         | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                                                | 151,135           | -                      | -                                       | -                        | -                       | -                         | -              | 40,202                        | 110,933        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductor & Equip                                 | 78,309            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 61,316                      | 16,993         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                                                    | 69,364            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 69,364                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                                      | 50,820            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 50,820               | -                             | -                        | -                                   |
| 15                  | Street Lighting                                             | 20,755            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 20,755                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>                                | <b>3,645,048</b>  | <b>1,993</b>           | <b>-</b>                                | <b>-</b>                 | <b>23,160</b>           | <b>2,155,510</b>          | <b>597,376</b> | <b>40,202</b>                 | <b>110,933</b> | <b>427,365</b>              | <b>118,440</b> | <b>98,496</b>          | <b>50,820</b>        | <b>20,755</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subtotal Production, Transmission &amp; Distribution</b> | <b>4,780,345</b>  | <b>1,137,289</b>       | <b>-</b>                                | <b>-</b>                 | <b>23,160</b>           | <b>2,155,510</b>          | <b>597,376</b> | <b>40,202</b>                 | <b>110,933</b> | <b>427,365</b>              | <b>118,440</b> | <b>98,496</b>          | <b>50,820</b>        | <b>20,755</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                                                     | 230,489           | 54,835                 | -                                       | -                        | 1,117                   | 103,930                   | 28,803         | 1,938                         | 5,349          | 20,606                      | 5,711          | 4,749                  | 2,450                | 1,001                         | -                        | -                                   |
| 19                  | Telecontrol - Common                                        | 46,054            | 46,054                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                                         | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | <b>Total Net Book Value</b>                                 | <b>5,056,887</b>  | <b>1,238,178</b>       | <b>-</b>                                | <b>-</b>                 | <b>24,276</b>           | <b>2,259,439</b>          | <b>626,179</b> | <b>42,140</b>                 | <b>116,282</b> | <b>447,971</b>              | <b>124,150</b> | <b>103,245</b>         | <b>53,270</b>        | <b>21,756</b>                 | <b>-</b>                 | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Functional Classification of Operating & Maintenance Expense

|      | 1                                                  | 2       | 3          | 4              | 5            | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17           |
|------|----------------------------------------------------|---------|------------|----------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|--------------|
|      |                                                    |         |            | Production and |              | Distribution |               |          |                   |          |                 |          |          |          |                 |            |              |
| Line |                                                    | Total   | Production | Transmission   | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Specifically |
| No.  | Description                                        | Amount  | Demand     | Energy         | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Assigned     |
|      |                                                    | (\$)    | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | Customer     |
|      | Production                                         |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
| 1    | Diesel                                             | 175,671 | 175,671    | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 2    | Subtotal Production                                | 175,671 | 175,671    | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
|      | Transmission                                       |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
| 3    | Lines                                              | -       | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 4    | Terminals                                          | -       | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 5    | Subtotal Transmission                              | -       | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
|      | Distribution                                       |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
| 6    | Other                                              | 165,539 | 2,208      | -              | -            | 12,373       | 90,026        | 20,774   | 3,231             | 8,916    | 14,305          | 3,965    | 8,160    | -        | 1,580           | -          | -            |
| 7    | Meters                                             | 17,084  | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | 17,084   | -               | -          | -            |
| 8    | Subtotal Distribution                              | 182,623 | 2,208      | -              | -            | 12,373       | 90,026        | 20,774   | 3,231             | 8,916    | 14,305          | 3,965    | 8,160    | 17,084   | 1,580           | -          | -            |
| 9    | Subtotal Production<br>Transmission & Distribution | 358,294 | 177,879    | -              | -            | 12,373       | 90,026        | 20,774   | 3,231             | 8,916    | 14,305          | 3,965    | 8,160    | 17,084   | 1,580           | -          | -            |
| 10   | Customer Accounting                                | 74,861  | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | 74,861     | -            |
|      | Overheads                                          |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
|      | Plant-Related                                      |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
| 11   | Production                                         | 70,321  | 70,321     | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 12   | Transmission                                       | -       | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 13   | Distribution                                       | 53,071  | 374        | -              | -            | 376          | 30,660        | 8,497    | 631               | 1,742    | 6,256           | 1,734    | 1,682    | 775      | 343             | -          | -            |
| 14   | Prod, Trans, Distrn Plant                          | 10,765  | 10,765     | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 15   | Telecontrol Plant                                  | 6,706   | 6,706      | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |
| 16   | Prod, Trans, Distrn and Gen Plt                    | 9,340   | 3,165      | -              | -            | 44           | 3,592         | 996      | 74                | 204      | 733             | 203      | 197      | 91       | 40              | -          | -            |
|      | Expense Related                                    |         |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |              |
| 17   | Property Insurance                                 | 5,813   | 5,128      | -              | -            | 71           | 360           | 100      | 7                 | 20       | 73              | 20       | 20       | 9        | 4               | -          | -            |
| 18   | Municipal Tax                                      | 26,293  | 318        | -              | -            | 1,781        | 12,961        | 2,991    | 465               | 1,284    | 2,060           | 571      | 1,175    | 2,460    | 228             | -          | -            |
| 19   | Other Expense Related                              | 226,933 | 93,192     | -              | -            | 6,482        | 47,165        | 10,884   | 1,693             | 4,671    | 7,495           | 2,077    | 4,275    | 8,950    | 828             | 39,220     | -            |
| 20   | Subtotal Overheads                                 | 409,242 | 189,970    | -              | -            | 8,755        | 94,739        | 23,467   | 2,871             | 7,922    | 16,617          | 4,605    | 7,348    | 12,285   | 1,443           | 39,220     | -            |
| 21   | Total Operating & Maintenance<br>Expenses          | 842,397 | 367,849    | -              | -            | 21,128       | 184,765       | 44,242   | 6,102             | 16,837   | 30,922          | 8,570    | 15,508   | 29,369   | 3,023           | 114,081    | -            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**L'Anse au Loup**

**Functional Classification of Operating & Maintenance Expense - Documentation**

| Line No. | 1<br>Description                                           | 2<br>Basis of Functional Classification                                                                  |
|----------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                          |                                                                                                          |
| 1        | Diesel                                                     | Production - Demand, Energy ratios Sch.4.3 L.8                                                           |
| 2        | <b>Subtotal Production</b>                                 |                                                                                                          |
|          | <b>Transmission</b>                                        |                                                                                                          |
| 3        | Lines                                                      | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                            |
| 4        | Terminals                                                  | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                                |
| 5        | <b>Subtotal Transmission</b>                               |                                                                                                          |
|          | <b>Distribution</b>                                        |                                                                                                          |
| 6        | Other                                                      | Production, Distribution, except Meters- ratios Sch. 4.3 L. 36                                           |
| 7        | Meters                                                     | Meters - Customer                                                                                        |
| 8        | <b>Subtotal Distribution</b>                               |                                                                                                          |
| 9        | <b>Subtotal Production Transmission &amp; Distribution</b> |                                                                                                          |
| 10       | Customer Accounting                                        | Accounting - Customer                                                                                    |
|          | <b>Overheads</b>                                           |                                                                                                          |
|          | <b>Plant-Related</b>                                       |                                                                                                          |
| 11       | Production                                                 | Prorated on Production Plant in Service - Sch.2.2 L.2                                                    |
| 12       | Transmission                                               | Prorated on Transmission Plant in Service - Sch.2.2 L. 5                                                 |
| 13       | Distribution                                               | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                                 |
| 14       | Prod, Trans, Distn Plant                                   | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 17                      |
| 15       | Telecontrol Plant                                          | Prorated on Telecontrol Plant in Service - Sch.2.2 L.20, 20                                              |
| 16       | Prod, Trans, Distn and Gen Plt                             | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.22             |
|          | <b>Expense Related</b>                                     |                                                                                                          |
| 17       | Property Insurance                                         | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18, 19, 20 |
| 18       | Municipal Tax                                              | Prorated on Distribution O&M Expenses - L.8                                                              |
| 19       | Other Expense Related                                      | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18, 19, 20 |
| 20       | <b>Subtotal Overheads</b>                                  | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10               |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b>          |                                                                                                          |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup

Functional Classification of Depreciation Expense

|              | 1                          | 2                 | 3                      | 4                        | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13                     | 14                   | 15                            | 16                       | 17                     |
|--------------|----------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|------------------------|
|              |                            |                   |                        | Production and           |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |                          | Specifically           |
| Line No.     | Description                | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution  |               |                   |               |                 |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Assigned Customer (\$) |
|              |                            |                   |                        |                          |                          |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               |                        |                      |                               |                          |                        |
|              |                            |                   |                        |                          |                          | Demand (\$)             | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |                          |                        |
| Production   |                            |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |                          |                        |
| 1            | Diesel                     | 117,535           | 117,535                | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 2            | Subtotal Production        | 117,535           | 117,535                | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| Transmission |                            |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |                          |                        |
| 3            | Lines                      | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 4            | Terminal Stations          | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 5            | Subtotal Transmission      | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| Distribution |                            |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |                          |                        |
| 6            | Substations                | 1,200             | 148                    | -                        | -                        | 1,052                   | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 7            | Land & Land Improvements   | 394               | -                      | -                        | -                        | -                       | 262           | 73            | -                 | -             | 46              | 13            | -                      | -                    | -                             | -                        | -                      |
| 8            | Poles                      | 134,790           | -                      | -                        | -                        | -                       | 87,599        | 24,277        | -                 | -             | 16,886          | 4,680         | 1,348                  | -                    | -                             | -                        | -                      |
| 9            | Primary Conductor&Eqpt     | 17,399            | -                      | -                        | -                        | -                       | 13,623        | 3,776         | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 10           | Submarine Conductor        | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 11           | Transformers               | 8,701             | -                      | -                        | -                        | -                       | -             | -             | 2,314             | 6,387         | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 12           | Secondary Condctr & Equip  | 4,953             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | 3,878           | 1,075         | -                      | -                    | -                             | -                        | -                      |
| 13           | Services                   | 3,600             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | 3,600                  | -                    | -                             | -                        | -                      |
| 14           | Meters                     | 3,156             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | 3,156                | -                             | -                        | -                      |
| 15           | Street Lighting            | 1,116             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | 1,116                         | -                        | -                      |
| 16           | Subtotal Distribution      | 175,309           | 148                    | -                        | -                        | 1,052                   | 101,484       | 28,125        | 2,314             | 6,387         | 20,811          | 5,768         | 4,948                  | 3,156                | 1,116                         | -                        | -                      |
| 17           | Subtotal Prod Tran & Dist  | 292,844           | 117,683                | -                        | -                        | 1,052                   | 101,484       | 28,125        | 2,314             | 6,387         | 20,811          | 5,768         | 4,948                  | 3,156                | 1,116                         | -                        | -                      |
| 18           | General                    | 51,968            | 20,884                 | -                        | -                        | 187                     | 18,009        | 4,991         | 411               | 1,133         | 3,693           | 1,024         | 878                    | 560                  | 198                           | -                        | -                      |
| 19           | Telecontrol - Common       | 6,281             | 6,281                  | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 20           | Telecontrol - Specific     | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 21           | Feasibility Studies        | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -                        | -                      |
| 22           | Total Depreciation Expense | 351,093           | 144,848                | -                        | -                        | 1,239                   | 119,494       | 33,116        | 2,725             | 7,520         | 24,504          | 6,791         | 5,826                  | 3,716                | 1,314                         | -                        | -                      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Basis of Allocation to Classes of Service

|         | 1                            | 2      | 3          | 4              | 5            | 6           | 7             | 8            | 9                 | 10           | 11              | 12           | 13           | 14               | 15              | 16           | 17           |  |          |
|---------|------------------------------|--------|------------|----------------|--------------|-------------|---------------|--------------|-------------------|--------------|-----------------|--------------|--------------|------------------|-----------------|--------------|--------------|--|----------|
|         |                              |        |            | Production and |              |             |               |              |                   |              |                 |              |              |                  |                 |              |              |  |          |
|         |                              |        |            | Transmission   | Transmission |             |               |              |                   |              |                 |              |              |                  |                 |              | Specifically |  |          |
| Line    |                              | Total  | Production | Energy         | Demand       | Substations | Distribution  |              |                   |              |                 |              |              |                  |                 |              |              |  | Assigned |
| No.     | Description                  | Amount | Demand     | (\$)           | (\$)         | Demand      | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services     | Meters           | Street Lighting | Accounting   | Customer     |  |          |
|         |                              | (\$)   | (\$)       | (\$)           | (\$)         | (\$)        | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     | Customer     | Customer         | Customer        | Customer     | Customer     |  |          |
|         |                              |        | (AED kW)   | (MWh @ Gen)    | (AED kW)     | (CP kW)     | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wtd Rural C | (Wtd Rural Cust) |                 | (Rural Cust) |              |  |          |
| Amounts |                              |        |            |                |              |             |               |              |                   |              |                 |              |              |                  |                 |              |              |  |          |
| 1       | 1.2 Domestic Diesel          | -      | 1,841      | 8,190          | 1,838        | 2,220       | 2,061         | 723          | 2,019             | 723          | 1,940           | 723          | 723          | 723              | -               | 723          | -            |  |          |
| 2       | 1.12 Domestic All Electric   | -      | 92         | 350            | 92           | 119         | 111           | 20           | 108               | 20           | 104             | 20           | 20           | 20               | -               | 20           | -            |  |          |
| 3       | 2.1 GS 0-10 kW               | -      | 316        | 1,178          | 316          | 310         | 288           | 144          | 282               | 144          | 271             | 144          | 289          | 289              | -               | 144          | -            |  |          |
| 4       | 2.2 GS 10-100 kW             | -      | 595        | 3,071          | 595          | 458         | 425           | 50           | 417               | 50           | 400             | 50           | 404          | 404              | -               | 50           | -            |  |          |
| 5       | 2.3 GS 110-1,000 kVa         | -      | 312        | 914            | 311          | 35          | 32            | 2            | 32                | 2            | 30              | 2            | 17           | 17               | -               | 2            | -            |  |          |
| 6       | 4.1 Street and Area Lighting | -      | 26         | 121            | 26           | 35          | 33            | 31           | 32                | 31           | 31              | 31           | -            | -                | 1               | 31           | -            |  |          |
| 7       | Total                        | -      | 3,182      | 13,825         | 3,177        | 3,177       | 2,950         | 970          | 2,890             | 970          | 2,776           | 970          | 1,453        | 1,453            | 1               | 970          | -            |  |          |
| Ratios  |                              |        |            |                |              |             |               |              |                   |              |                 |              |              |                  |                 |              |              |  |          |
| 8       | 1.2 Domestic Diesel          | -      | 0.5784     | 0.5924         | 0.5784       | 0.6986      | 0.6986        | 0.7450       | 0.6986            | 0.7450       | 0.6986          | 0.7450       | 0.4975       | 0.4975           | -               | 0.7450       | -            |  |          |
| 9       | 1.12 Domestic All Electric   | -      | 0.0289     | 0.0253         | 0.0289       | 0.0375      | 0.0375        | 0.0206       | 0.0375            | 0.0206       | 0.0375          | 0.0206       | 0.0138       | 0.0138           | -               | 0.0206       | -            |  |          |
| 10      | 2.1 GS 0-10 kW               | -      | 0.0994     | 0.0852         | 0.0994       | 0.0977      | 0.0977        | 0.1487       | 0.0977            | 0.1487       | 0.0977          | 0.1487       | 0.1987       | 0.1987           | -               | 0.1487       | -            |  |          |
| 11      | 2.2 GS 10-100 kW             | -      | 0.1871     | 0.2221         | 0.1871       | 0.1442      | 0.1442        | 0.0516       | 0.1442            | 0.0516       | 0.1442          | 0.0516       | 0.2782       | 0.2782           | -               | 0.0516       | -            |  |          |
| 12      | 2.3 GS 110-1,000 kVa         | -      | 0.0980     | 0.0661         | 0.0980       | 0.0109      | 0.0109        | 0.0021       | 0.0109            | 0.0021       | 0.0109          | 0.0021       | 0.0118       | 0.0118           | -               | 0.0021       | -            |  |          |
| 13      | 4.1 Street and Area Lighting | -      | 0.0081     | 0.0088         | 0.0081       | 0.0111      | 0.0111        | 0.0319       | 0.0111            | 0.0319       | 0.0111          | 0.0319       | -            | -                | 1.0000          | 0.0319       | -            |  |          |
| 14      | Total                        | -      | 1.0000     | 1.0000         | 1.0000       | 1.0000      | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000       | 1.0000           | 1.0000          | 1.0000       | -            |  |          |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse au Loup  
Allocation of Functionalized Amounts to Classes of Service

| Line No.                                                        | 1                            | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-----------------------------------------------------------------|------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                                                                 | Description                  | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Allocated Revenue Requirement Excl Interest &amp; Margin</b> |                              |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                                                               | 1.2 Domestic Diesel          | 1,152,805         | 296,314                | 398,503                                 | -                        | 15,557                  | 204,085                   | 55,161         | 6,186                         | 18,204        | 37,123                      | 10,971        | 10,535                 | 16,408               | -                             | 83,757                   | -                                   |
| 2                                                               | 1.12 Domestic All Electric   | 51,382            | 14,809                 | 17,051                                  | -                        | 836                     | 10,964                    | 1,526          | 332                           | 504           | 1,994                       | 304           | 291                    | 454                  | -                             | 2,317                    | -                                   |
| 3                                                               | 2.1 GS 0-10 kW               | 189,292           | 50,903                 | 57,307                                  | -                        | 2,175                   | 28,532                    | 11,013         | 865                           | 3,634         | 5,190                       | 2,190         | 4,207                  | 6,552                | -                             | 16,722                   | -                                   |
| 4                                                               | 2.2 GS 10-100 kW             | 326,239           | 95,864                 | 149,403                                 | -                        | 3,210                   | 42,113                    | 3,822          | 1,277                         | 1,261         | 7,660                       | 760           | 5,891                  | 9,175                | -                             | 5,803                    | -                                   |
| 5                                                               | 2.3 GS 110-1,000 kVa         | 99,904            | 50,219                 | 44,477                                  | -                        | 243                     | 3,185                     | 153            | 97                            | 50            | 579                         | 30            | 250                    | 389                  | -                             | 232                      | -                                   |
| 6                                                               | 4.1 Street and Area Lighting | 25,809            | 4,171                  | 5,903                                   | -                        | 247                     | 3,239                     | 2,365          | 98                            | 781           | 589                         | 470           | -                      | -                    | 4,352                         | 3,592                    | -                                   |
| 7                                                               | <b>Total</b>                 | <b>1,845,430</b>  | <b>512,281</b>         | <b>672,645</b>                          | <b>-</b>                 | <b>22,268</b>           | <b>292,118</b>            | <b>74,039</b>  | <b>8,855</b>                  | <b>24,434</b> | <b>53,137</b>               | <b>14,726</b> | <b>21,175</b>          | <b>32,978</b>        | <b>4,352</b>                  | <b>112,422</b>           | <b>-</b>                            |
| <b>Allocated Interest</b>                                       |                              |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 8                                                               | 1.2 Domestic Diesel          | 262,141           | 55,585                 | -                                       | -                        | 1,316                   | 122,512                   | 36,207         | 2,285                         | 6,724         | 24,290                      | 7,179         | 3,987                  | 2,057                | -                             | -                        | -                                   |
| 9                                                               | 1.12 Domestic All Electric   | 12,412            | 2,778                  | -                                       | -                        | 71                      | 6,582                     | 1,002          | 123                           | 186           | 1,305                       | 199           | 110                    | 57                   | -                             | -                        | -                                   |
| 10                                                              | 2.1 GS 0-10 kW               | 42,994            | 9,549                  | -                                       | -                        | 184                     | 17,128                    | 7,229          | 319                           | 1,342         | 3,396                       | 1,433         | 1,592                  | 821                  | -                             | -                        | -                                   |
| 11                                                              | 2.2 GS 10-100 kW             | 55,870            | 17,983                 | -                                       | -                        | 272                     | 25,280                    | 2,508          | 471                           | 466           | 5,012                       | 497           | 2,229                  | 1,150                | -                             | -                        | -                                   |
| 12                                                              | 2.3 GS 110-1,000 kVa         | 12,050            | 9,420                  | -                                       | -                        | 21                      | 1,912                     | 100            | 36                            | 19            | 379                         | 20            | 95                     | 49                   | -                             | -                        | -                                   |
| 13                                                              | 4.1 Street and Area Lighting | 7,007             | 782                    | -                                       | -                        | 21                      | 1,945                     | 1,553          | 36                            | 288           | 386                         | 308           | -                      | -                    | 1,688                         | -                        | -                                   |
| 14                                                              | <b>Total</b>                 | <b>392,473</b>    | <b>96,097</b>          | <b>-</b>                                | <b>-</b>                 | <b>1,884</b>            | <b>175,359</b>            | <b>48,599</b>  | <b>3,271</b>                  | <b>9,025</b>  | <b>34,768</b>               | <b>9,635</b>  | <b>8,013</b>           | <b>4,134</b>         | <b>1,688</b>                  | <b>-</b>                 | <b>-</b>                            |
| <b>Allocated Margin</b>                                         |                              |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 15                                                              | All Classes                  | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Total Allocated Revenue Requirement</b>                      |                              |                   |                        |                                         |                          |                         |                           |                |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 16                                                              | 1.2 Domestic Diesel          | 1,414,946         | 351,899                | 398,503                                 | -                        | 16,873                  | 326,597                   | 91,368         | 8,471                         | 24,928        | 61,413                      | 18,150        | 14,522                 | 18,465               | -                             | 83,757                   | -                                   |
| 17                                                              | 1.23 Domestic All Electric   | 63,794            | 17,586                 | 17,051                                  | -                        | 907                     | 17,546                    | 2,528          | 455                           | 690           | 3,299                       | 502           | 402                    | 511                  | -                             | 2,317                    | -                                   |
| 18                                                              | 2.1 GS 0-10 kW               | 232,285           | 60,452                 | 57,307                                  | -                        | 2,359                   | 45,660                    | 18,242         | 1,184                         | 4,977         | 8,586                       | 3,624         | 5,799                  | 7,373                | -                             | 16,722                   | -                                   |
| 19                                                              | 2.2 GS 10-100 kW             | 382,108           | 113,847                | 149,403                                 | -                        | 3,482                   | 67,393                    | 6,330          | 1,748                         | 1,727         | 12,673                      | 1,257         | 8,121                  | 10,325               | -                             | 5,803                    | -                                   |
| 20                                                              | 2.3 GS 110-1,000 kVa         | 111,954           | 59,639                 | 44,477                                  | -                        | 263                     | 5,097                     | 253            | 132                           | 69            | 959                         | 50            | 344                    | 438                  | -                             | 232                      | -                                   |
| 21                                                              | 4.1 Street and Area Lighting | 32,816            | 4,954                  | 5,903                                   | -                        | 268                     | 5,184                     | 3,918          | 134                           | 1,069         | 975                         | 778           | -                      | -                    | 6,041                         | 3,592                    | -                                   |
| 22                                                              | <b>Total</b>                 | <b>2,237,903</b>  | <b>608,377</b>         | <b>672,645</b>                          | <b>-</b>                 | <b>24,152</b>           | <b>467,477</b>            | <b>122,638</b> | <b>12,125</b>                 | <b>33,459</b> | <b>87,904</b>               | <b>24,362</b> | <b>29,188</b>          | <b>37,113</b>        | <b>6,041</b>                  | <b>112,422</b>           | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Functional Classification of Revenue Requirement**

|          | 1                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8           | 9                 | 10          | 11              | 12          | 13                     | 14                   | 15                            | 16                       | 17                                  |
|----------|---------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|-------------|-------------------|-------------|-----------------|-------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No. | Description                                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |             |                   |             |                 |             |                        |                      |                               | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          |                                                   |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |             | Line Transformers |             | Secondary Lines |             | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |                          |                                     |
|          |                                                   |                   |                        |                                         |                          |                         | Demand (\$)   | Demand (\$) | Demand (\$)       | Demand (\$) | Demand (\$)     | Demand (\$) |                        |                      |                               |                          |                                     |
|          | Expenses                                          |                   |                        |                                         |                          |                         |               |             |                   |             |                 |             |                        |                      |                               |                          |                                     |
| 1        | Operating & Maintenance                           | 5,710,170         | 848,575                | 153,495                                 | 460,486                  | 292,131                 | 1,611,214     | 374,702     | 67,673            | 186,738     | 262,024         | 72,617      | 154,036                | 119,617              | 30,801                        | 1,057,026                | 19,037                              |
| 2        | Fuels-Diesel                                      | 504               | -                      | 504                                     | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 3        | Fuels-Gas Turbine                                 | 15,563            | -                      | 15,563                                  | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 4        | Power Purchases -CF(L)Co                          | 2,299,392         | 1,149,696              | 1,149,696                               | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 5        | Power Purchases-Other                             | 35,412            | -                      | -                                       | -                        | 35,412                  | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 6        | Depreciation                                      | 2,215,093         | 1,113,373              | 110,915                                 | 332,744                  | 135,298                 | 193,324       | 48,763      | 34,572            | 95,398      | 45,894          | 12,719      | 42,148                 | 19,800               | 11,886                        | -                        | 18,259                              |
|          | Expense Credits                                   |                   |                        |                                         |                          |                         |               |             |                   |             |                 |             |                        |                      |                               |                          |                                     |
| 7        | Sundry                                            | (33,772)          | (5,019)                | (908)                                   | (2,723)                  | (1,728)                 | (9,529)       | (2,216)     | (400)             | (1,104)     | (1,550)         | (429)       | (911)                  | (707)                | (182)                         | (6,252)                  | (113)                               |
| 8        | Building Rental Income                            | (15,399)          | (5,480)                | (1,029)                                 | (3,088)                  | (1,416)                 | (1,802)       | (469)       | (245)             | (677)       | (396)           | (110)       | (310)                  | (140)                | (78)                          | -                        | (159)                               |
| 9        | Tax Refunds                                       | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 10       | Suppliers' Discounts                              | (3,628)           | (539)                  | (98)                                    | (293)                    | (186)                   | (1,024)       | (238)       | (43)              | (119)       | (166)           | (46)        | (98)                   | (76)                 | (20)                          | (672)                    | (12)                                |
| 11       | Pole Attachments                                  | 47,819            | -                      | -                                       | -                        | -                       | 31,077        | 8,613       | -                 | -           | 5,991           | 1,660       | 478                    | -                    | -                             | -                        | -                                   |
| 12       | Secondary Energy Revenues                         | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 13       | Wheeling Revenues                                 | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 14       | Misc Customer Revenues                            | (666)             | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | (666)                    | -                                   |
| 15       | Application Fees                                  | -                 | -                      | -                                       | -                        | -                       | -             | -           | -                 | -           | -               | -           | -                      | -                    | -                             | -                        | -                                   |
| 15       | Total Expense Credits                             | (5,645)           | (11,038)               | (2,035)                                 | (6,104)                  | (3,329)                 | 18,722        | 5,689       | (688)             | (1,900)     | 3,878           | 1,075       | (841)                  | (923)                | (279)                         | (7,589)                  | (284)                               |
| 16       | Subtotal Expenses                                 | 10,270,488        | 3,100,606              | 1,428,138                               | 787,126                  | 459,512                 | 1,823,260     | 429,155     | 101,557           | 280,236     | 311,796         | 86,411      | 195,344                | 138,493              | 42,407                        | 1,049,437                | 37,012                              |
| 17       | Disposal Gain / Loss                              | 115,228           | 38,659                 | 10,411                                  | 31,232                   | 7,162                   | 10,509        | 2,600       | 1,786             | 4,927       | 2,374           | 658         | 2,320                  | 790                  | 626                           | -                        | 1,174                               |
| 18       | Subtotal Revenue Reqmt Before Interest and Margin | 10,385,717        | 3,139,264              | 1,438,549                               | 818,358                  | 466,674                 | 1,833,768     | 431,755     | 103,342           | 285,163     | 314,170         | 87,069      | 197,663                | 139,283              | 43,034                        | 1,049,437                | 38,187                              |
| 19       | Interest                                          | 3,523,315         | 1,182,056              | 318,329                                 | 954,988                  | 218,994                 | 321,326       | 79,507      | 54,599            | 150,660     | 72,599          | 20,120      | 70,933                 | 24,151               | 19,145                        | -                        | 35,907                              |
| 20       | Margin                                            | 550,611           | 184,727                | 49,747                                  | 149,242                  | 34,224                  | 50,216        | 12,425      | 8,533             | 23,545      | 11,346          | 3,144       | 11,085                 | 3,774                | 2,992                         | -                        | 5,611                               |
| 21       | Total Revenue Requirement                         | 14,459,642        | 4,506,047              | 1,806,626                               | 1,922,589                | 719,891                 | 2,205,310     | 523,687     | 166,474           | 459,368     | 398,115         | 110,333     | 279,681                | 167,208              | 65,171                        | 1,049,437                | 79,705                              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                                             | 2<br>Basis of Functional Classification                                              |
|-------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|
|             | Expenses                                                     |                                                                                      |
| 1           | Operating & Maintenance                                      | Carryforward from Sch.2.4 L.20                                                       |
| 2           | Fuels-Diesel                                                 | Production - Energy                                                                  |
| 3           | Fuels-Gas Turbine                                            | Production - Energy                                                                  |
| 4           | Power Purchases-CF(L)Co                                      | Production - Demand, Energy ratios Sch.4.3 L. 10                                     |
| 5           | Power Purchases-Other                                        | Production - Demand, Energy                                                          |
| 6           | Depreciation                                                 | Carryforward from Sch.2.5 L.23                                                       |
|             | Expense Credits                                              |                                                                                      |
| 7           | Sundry                                                       | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 8           | Building Rental Income                                       | Prorated on General Plant - Sch.2.2 L.19                                             |
| 9           | Tax Refunds                                                  | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 10          | Suppliers' Discounts                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.20                    |
| 11          | Pole Attachments                                             | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27 |
| 12          | Secondary Energy Revenues                                    | Production - Energy                                                                  |
| 13          | Wheeling Revenues                                            | Transmission - Demand, Energy ratios Sch.4.3 L. 14                                   |
| 14          | Misc Customer Revenues                                       | Accounting - Customer                                                                |
| 15          | Application Fees                                             | Accounting - Customer                                                                |
| 15          | Total Expense Credits                                        |                                                                                      |
| 16          | Subtotal Expenses                                            |                                                                                      |
| 17          | Disposal Gain / Loss                                         | Prorated on Total Net Book Value - Sch.2.3 L.23                                      |
| 18          | <b>Subtotal Revenue Reqmt<br/>Before Interest and Margin</b> |                                                                                      |
| 19          | Interest                                                     | Prorated on Total Net Book Value - Sch.2.3 L.23                                      |
| 20          | Margin                                                       | Prorated on Total Net Book Value - Sch.2.3 L.23                                      |
| 21          | <b>Total Revenue Requirement</b>                             |                                                                                      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Interconnected  
Functional Classification of Plant in Service for the Allocation of O&M Expense

|              | 1                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13                     | 14                   | 15                            | 16 | 17                       |                                     |
|--------------|-----------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|----|--------------------------|-------------------------------------|
| Line No.     | Description                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |                        |                      |                               |    | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|              |                                   |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |    |                          |                                     |
|              |                                   |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |    |                          |                                     |
| Production   |                                   |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |    |                          |                                     |
| 1            | Gas Turbines                      | 22,449,687        | 22,449,687             | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 2            | Diesel                            | 3,196,458         | 3,196,458              | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 3            | Subtotal Production               | 25,646,145        | 25,646,145             | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| Transmission |                                   |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |    |                          |                                     |
| 4            | Lines                             | 15,343,616        | -                      | 3,722,355                               | 11,167,065               | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | 454,195                  |                                     |
| 5            | Terminal Stations                 | 4,708,438         | -                      | 1,104,199                               | 3,312,596                | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | 291,644                  |                                     |
| 6            | Subtotal Transmission             | 20,052,054        | -                      | 4,826,554                               | 14,479,661               | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | 745,839                  |                                     |
| Distribution |                                   |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |    |                          |                                     |
| 7            | Substations                       | 6,682,938         | 45,641                 | -                                       | -                        | 6,637,297               | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 8            | Land & Land Improvements          | 412,066           | -                      | -                                       | -                        | -                       | 274,251       | 76,006        | -                 | -             | 48,397          | 13,413        | -                      | -                    | -                             | -  | -                        |                                     |
| 9            | Poles                             | 9,258,019         | -                      | -                                       | -                        | -                       | 6,016,694     | 1,667,462     | -                 | -             | 1,159,845       | 321,438       | 92,580                 | -                    | -                             | -  | -                        |                                     |
| 10           | Primary Conductor&Eqpt            | 2,099,758         | -                      | -                                       | -                        | -                       | 1,644,110     | 455,647       | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 11           | Submarine Conductor               | 515,827           | -                      | -                                       | -                        | -                       | 515,827       | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 12           | Transformers                      | 4,321,628         | -                      | -                                       | -                        | -                       | -             | -             | 1,149,553         | 3,172,075     | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 13           | Secondary Condctr & Equip         | 830,247           | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | 650,083         | 180,164       | -                      | -                    | -                             | -  | -                        |                                     |
| 14           | Services                          | 1,360,343         | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | 1,360,343              | -                    | -                             | -  | -                        |                                     |
| 15           | Meters                            | 654,950           | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | 654,950              | -                             | -  | -                        |                                     |
| 16           | Street Lighting                   | 364,567           | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | 364,567                       | -  | -                        |                                     |
| 17           | Subtotal Distribution             | 26,500,342        | 45,641                 | -                                       | -                        | 6,637,297               | 8,450,882     | 2,199,115     | 1,149,553         | 3,172,075     | 1,858,325       | 515,015       | 1,452,923              | 654,950              | 364,567                       | -  | -                        |                                     |
| 18           | Subtotal Prod., Transmsn, & Distn | 72,198,540        | 25,691,786             | 4,826,554                               | 14,479,661               | 6,637,297               | 8,450,882     | 2,199,115     | 1,149,553         | 3,172,075     | 1,858,325       | 515,015       | 1,452,923              | 654,950              | 364,567                       | -  | 745,839                  |                                     |
| 19           | General                           | 3,239,098         | 1,152,630              | 216,537                                 | 649,612                  | 297,774                 | 379,138       | 98,661        | 51,573            | 142,311       | 83,371          | 23,105        | 65,184                 | 29,384               | 16,356                        | -  | 33,461                   |                                     |
| 20           | Telecontrol - Common              | 1,186,857         | 677,124                | 127,433                                 | 382,300                  | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 21           | Telecontrol - Specific            | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 22           | Feasibility Studies               | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -  | -                        |                                     |
| 23           | Total Plant                       | 76,624,496        | 27,521,540             | 5,170,524                               | 15,511,573               | 6,935,071               | 8,830,020     | 2,297,775     | 1,201,126         | 3,314,386     | 1,941,696       | 538,120       | 1,518,106              | 684,333              | 380,923                       | -  | 779,300                  |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**

**Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation**

| Line<br>No. | 1<br>Description                             | 2<br>Basis of Functional Classification                                                                    |
|-------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------|
|             | <b>Production</b>                            |                                                                                                            |
| 1           | Gas Turbines                                 | Production - Demand, Energy ratios Sch.4.3 L.8                                                             |
| 2           | Diesel                                       | Production - Demand, Energy ratios Sch.4.3 L.8                                                             |
| 3           | <b>Subtotal Production</b>                   |                                                                                                            |
|             | <b>Transmission</b>                          |                                                                                                            |
| 4           | Lines                                        | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Specifically Assigned - Customer |
| 5           | Terminal Stations                            | Production, Transmission - Demand, Energy; Specifically Assigned - Customer                                |
| 6           | <b>Subtotal Transmission</b>                 |                                                                                                            |
|             | <b>Distribution</b>                          |                                                                                                            |
| 7           | Substations                                  | Production - Demand; Distribution Substations - Demand                                                     |
| 8           | Land & Land Improvements                     | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.3 L.22                                 |
| 9           | Poles                                        | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.27                       |
| 10          | Primary Conductor&Eqpt                       | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.28                       |
| 11          | Submarine Conductor                          | Primary, Secondary, Services - Demand, Customer - zero intercept ratios Sch.4.3 L.29                       |
| 12          | Transformers                                 | Transformers - Demand, Customer - zero intercept ratios Sch.4.3 L.30                                       |
| 13          | Secondary Conductor & Equip                  | Secondary - Demand, Customer - zero intercept ratios Sch. 4.3 L. 31                                        |
| 14          | Services                                     | Services Customer                                                                                          |
| 15          | Meters                                       | Meters - Customer                                                                                          |
| 16          | Street Lighting                              | Street Lighting - Customer                                                                                 |
| 17          | <b>Subtotal Distribution</b>                 |                                                                                                            |
| 18          | <b>Subtotal Prod., Transmsn, &amp; Distn</b> |                                                                                                            |
| 19          | General                                      | Prorated on subtotal Production, Transmission, & Distribution plant - L.18                                 |
| 20          | Telecontrol - Common                         | Prorated on functionalized Production & Transmission plant - L. 3, 6                                       |
| 21          | Telecontrol - Specific                       | Specifically Assigned - Customer                                                                           |
| 22          | Feasibility Studies                          | Production, Transmission - Demand                                                                          |
| 23          | <b>Total Plant</b>                           |                                                                                                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Interconnected  
Functional Classification of Net Book Value

| Line No.            | 1                                           | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                | 9                             | 10               | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|------------------|-------------------------------|------------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)    | Line Transformers Demand (\$) | Customer (\$)    | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                             |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Gas Turbines                                | 14,092,403        | 14,092,403             | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | Diesel                                      | 747,200           | 747,200                | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 3                   | <b>Subtotal Production</b>                  | <b>14,839,603</b> | <b>14,839,603</b>      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                             |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                |                        |                      |                               |                          |                                     |
| 4                   | Lines                                       | 12,536,377        | -                      | 3,090,641                               | 9,271,924                | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | 173,812                             |
| 5                   | Terminal Stations                           | 3,937,065         | -                      | 914,029                                 | 2,742,088                | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | 280,948                             |
| 6                   | <b>Subtotal Transmission</b>                | <b>16,473,443</b> | -                      | <b>4,004,671</b>                        | <b>12,014,012</b>        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | <b>454,760</b>                      |
| <b>Distribution</b> |                                             |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                |                        |                      |                               |                          |                                     |
| 7                   | Substations                                 | 2,804,746         | 31,188                 | -                                       | -                        | 2,773,557               | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Land & Land Improvements                    | 164,878           | -                      | -                                       | -                        | -                       | 109,735                   | 30,412           | -                             | -                | 19,365                      | 5,367          | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Poles                                       | 4,399,969         | -                      | -                                       | -                        | -                       | 2,859,496                 | 792,478          | -                             | -                | 551,228                     | 152,767        | 44,000                 | -                    | -                             | -                        | -                                   |
| 10                  | Primary Conductor&Eqpt                      | 848,238           | -                      | -                                       | -                        | -                       | 664,170                   | 184,068          | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Submarine Conductor                         | 436,192           | -                      | -                                       | -                        | -                       | 436,192                   | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Transformers                                | 2,599,605         | -                      | -                                       | -                        | -                       | -                         | -                | 691,495                       | 1,908,110        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Secondary Condctr & Equip                   | 445,567           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | 348,879                     | 96,688         | -                      | -                    | -                             | -                        | -                                   |
| 14                  | Services                                    | 854,361           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | 854,361                | -                    | -                             | -                        | -                                   |
| 15                  | Meters                                      | 305,871           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | 305,871              | -                             | -                        | -                                   |
| 16                  | Street Lighting                             | 242,472           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | 242,472                       | -                        | -                                   |
| 17                  | <b>Subtotal Distribution</b>                | <b>13,101,899</b> | <b>31,188</b>          | -                                       | -                        | <b>2,773,557</b>        | <b>4,069,593</b>          | <b>1,006,958</b> | <b>691,495</b>                | <b>1,908,110</b> | <b>919,472</b>              | <b>254,822</b> | <b>898,361</b>         | <b>305,871</b>       | <b>242,472</b>                | -                        | -                                   |
| 18                  | <b>Subtotal Prod., Transmsn, &amp; Dstn</b> | <b>44,414,945</b> | <b>14,870,791</b>      | <b>4,004,671</b>                        | <b>12,014,012</b>        | <b>2,773,557</b>        | <b>4,069,593</b>          | <b>1,006,958</b> | <b>691,495</b>                | <b>1,908,110</b> | <b>919,472</b>              | <b>254,822</b> | <b>898,361</b>         | <b>305,871</b>       | <b>242,472</b>                | -                        | <b>454,760</b>                      |
| 19                  | General                                     | 770,401           | 257,941.75             | 69,463                                  | 208,389                  | 48,109                  | 70,589                    | 17,466           | 11,994                        | 33,097           | 15,949                      | 4,420          | 15,583                 | 5,306                | 4,206                         | -                        | 7,888                               |
| 20                  | Telecontrol - Common                        | 211,440           | 101,680                | 27,440                                  | 82,319                   | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Telecontrol - Specific                      | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Feasibility Studies                         | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 23                  | <b>Total Net Book Value</b>                 | <b>45,396,785</b> | <b>15,230,413</b>      | <b>4,101,574</b>                        | <b>12,304,721</b>        | <b>2,821,666</b>        | <b>4,140,182</b>          | <b>1,024,424</b> | <b>703,489</b>                | <b>1,941,207</b> | <b>935,421</b>              | <b>259,242</b> | <b>913,944</b>         | <b>311,177</b>       | <b>246,677</b>                | -                        | <b>462,648</b>                      |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Interconnected  
Functional Classification of Operating & Maintenance Expense

|                 | 1                                      | 2         | 3          | 4              | 5            | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17       |              |
|-----------------|----------------------------------------|-----------|------------|----------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|--------------|
|                 |                                        |           |            | Production and |              | Distribution |               |          |                   |          |                 |          |          |          |                 |            |          | Specifically |
| Line            |                                        | Total     | Production | Transmission   | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |              |
| No.             | Description                            | Amount    | Demand     | Energy         | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |              |
|                 |                                        | (\$)      | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |              |
| Production      |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 1               | Other                                  | 288,718   | 288,718    | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 2               | Subtotal Production                    | 288,718   | 288,718    | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| Transmission    |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 3               | Lines                                  | 247,496   | -          | 60,042         | 180,127      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 7,326    |              |
| 4               | Terminals                              | 2,118     | -          | 497            | 1,490        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 131      |              |
| 5               | Subtotal Transmission                  | 249,614   | -          | 60,539         | 181,617      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 7,457    |              |
| Distribution    |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 6               | Other                                  | 1,655,532 | 22,082     | -              | -            | 123,739      | 900,338       | 207,763  | 32,314            | 89,166   | 143,066         | 39,649   | 81,609   | -        | 15,806          | -          | -        |              |
| 7               | Meters                                 | 66,650    | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | 66,650   | -               | -          | -        |              |
| 8               | Subtotal Distribution                  | 1,722,182 | 22,082     | -              | -            | 123,739      | 900,338       | 207,763  | 32,314            | 89,166   | 143,066         | 39,649   | 81,609   | 66,650   | 15,806          | -          | -        |              |
| 9               | Subtotal Prod., Transmsn, & Dstn       | 2,260,513 | 310,799    | 60,539         | 181,617      | 123,739      | 900,338       | 207,763  | 32,314            | 89,166   | 143,066         | 39,649   | 81,609   | 66,650   | 15,806          | -          | 7,457    |              |
| 10              | Customer Accounting                    | 693,577   | -          | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | 693,577    | -        |              |
| Overheads       |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| Plant-Related   |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 11              | Production                             | 33,855    | 33,855     | -              | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 12              | Transmission                           | 7,150     | -          | 1,721          | 5,163        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 13              | Distribution                           | 56,089    | 97         | -              | -            | 14,048       | 17,887        | 4,655    | 2,433             | 6,714    | 3,933           | 1,090    | 3,075    | 1,386    | 772             | -          | 266      |              |
| 14              | Prod, Trans, Dstn Plant                | 81,730    | 29,084     | 5,464          | 16,391       | 7,514        | 9,567         | 2,489    | 1,301             | 3,591    | 2,104           | 583      | 1,645    | 741      | 413             | -          | 844      |              |
| 15              | Telecontrol Plant                      | 104,861   | 59,825     | 11,259         | 33,777       | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 16              | Prod, Trans, Dstn and General Plant    | 611,530   | 219,646    | 41,265         | 123,796      | 55,348       | 70,471        | 18,338   | 9,586             | 26,452   | 15,496          | 4,295    | 12,116   | 5,462    | 3,040           | -          | 6,219    |              |
| Expense Related |                                        |           |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 17              | Property Insurance                     | 43,618    | 28,952     | 1,523          | 4,570        | 7,295        | 399           | 104      | 54                | 150      | 88              | 24       | 69       | 31       | 17              | -          | 342      |              |
| 18              | Municipal Tax                          | 269,242   | 3,452      | -              | -            | 19,345       | 140,757       | 32,481   | 5,052             | 13,940   | 22,367          | 6,199    | 12,759   | 10,420   | 2,471           | -          | -        |              |
| 19              | Other Expense Related                  | 1,548,003 | 162,865    | 31,724         | 95,171       | 64,842       | 471,795       | 108,872  | 16,933            | 46,725   | 74,970          | 20,777   | 42,765   | 34,926   | 8,282           | 363,448    | 3,908    |              |
| 20              | Subtotal Overheads                     | 2,756,080 | 537,775    | 92,956         | 278,869      | 168,392      | 710,876       | 166,939  | 35,360            | 97,571   | 118,957         | 32,968   | 72,427   | 52,966   | 14,995          | 363,448    | 11,580   |              |
| 21              | Total Operating & Maintenance Expenses | 5,710,170 | 848,575    | 153,495        | 460,486      | 292,131      | 1,611,214     | 374,702  | 67,673            | 186,738  | 262,024         | 72,617   | 154,036  | 119,617  | 30,801          | 1,057,026  | 19,037   |              |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Interconnected  
Functional Classification of Operating & Maintenance Expense - Documentation

| Line No. | 1<br>Description                                  | 2<br>Basis of Functional Classification                                                                 |
|----------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                         |
| 1        | Other                                             | Production - Demand, Energy ratios Sch.4.3 L.8                                                          |
| 2        | <b>Subtotal Production</b>                        |                                                                                                         |
|          | <b>Transmission</b>                               |                                                                                                         |
| 3        | Lines                                             | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4                                           |
| 4        | Terminals                                         | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5                               |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                         |
|          | <b>Distribution</b>                               |                                                                                                         |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.3 L. 36                                          |
| 7        | Meters                                            | Meters - Customer                                                                                       |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                         |
| 9        | <b>Subtotal Prod., Transmsn, &amp; Distn</b>      |                                                                                                         |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                   |
|          | <b>Overheads</b>                                  |                                                                                                         |
|          | <b>Plant-Related</b>                              |                                                                                                         |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.3                                                   |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L. 6                                                |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                                |
| 14       | Prod, Trans, Distn Plant                          | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18                     |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.20, 21                                             |
| 16       | Prod, Trans, Distn and General Plant              | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23            |
|          | <b>Expense Related</b>                            |                                                                                                         |
| 17       | Property Insurance                                | Prorated on Prod.Trans. Terminal, Dist. Sub. & General Plant in Service - Sch.2.2 L.3, 5, 7, 19, 20, 21 |
| 18       | Municipal Tax                                     | Prorated on Distribution O&M Expenses - L.8                                                             |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9,10               |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                         |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                         |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Functional Classification of Depreciation Expense**

|              |                                   | 1         | 2          | 3            | 4              | 5           | 6             | 7        | 8                 | 9        | 10              | 11       | 12       | 13       | 14              | 15         | 16       | 17 |              |
|--------------|-----------------------------------|-----------|------------|--------------|----------------|-------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|----|--------------|
|              |                                   |           |            |              | Production and |             | Distribution  |          |                   |          |                 |          |          |          |                 |            |          |    | Specifically |
| Line         |                                   | Total     | Production | Transmission | Transmission   | Substations | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |    |              |
| No.          | Description                       | Amount    | Demand     | Energy       | Demand         | Demand      | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |    |              |
|              |                                   | (\$)      | (\$)       | (\$)         | (\$)           | (\$)        | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |    |              |
| Production   |                                   |           |            |              |                |             |               |          |                   |          |                 |          |          |          |                 |            |          |    |              |
| 1            | Gas Turbines                      | 899,834   | 899,834    | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 2            | Diesel                            | 53,306    | 53,306     | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 3            | Subtotal Production               | 953,140   | 953,140    | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| Transmission |                                   |           |            |              |                |             |               |          |                   |          |                 |          |          |          |                 |            |          |    |              |
| 4            | Lines                             | 313,805   | -          | 74,714       | 224,143        | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 14,947   |    |              |
| 5            | Terminal Stations                 | 83,271    | -          | 20,380       | 61,140         | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 1,750    |    |              |
| 6            | Subtotal Transmission             | 397,076   | -          | 95,094       | 285,283        | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 16,698   |    |              |
| Distribution |                                   |           |            |              |                |             |               |          |                   |          |                 |          |          |          |                 |            |          |    |              |
| 7            | Substations                       | 125,252   | 1,521      | -            | -              | 123,730     | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 8            | Land & Land Improvements          | 6,581     | -          | -            | -              | -           | 4,380         | 1,214    | -                 | -        | 773             | 214      | -        | -        | -               | -          | -        |    |              |
| 9            | Poles                             | 197,435   | -          | -            | -              | -           | 128,311       | 35,560   | -                 | -        | 24,735          | 6,855    | 1,974    | -        | -               | -          | -        |    |              |
| 10           | Primary Conductor&Eqpt            | 36,039    | -          | -            | -              | -           | 28,218        | 7,820    | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 11           | Submarine Conductor               | 15,886    | -          | -            | -              | -           | 15,886        | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 12           | Transformers                      | 118,858   | -          | -            | -              | -           | -             | -        | 31,616            | 87,241   | -               | -        | -        | -        | -               | -          | -        |    |              |
| 13           | Secondary Condctr & Equip         | 21,025    | -          | -            | -              | -           | -             | -        | -                 | -        | 16,462          | 4,562    | -        | -        | -               | -          | -        |    |              |
| 14           | Services                          | 36,570    | -          | -            | -              | -           | -             | -        | -                 | -        | -               | -        | 36,570   | -        | -               | -          | -        |    |              |
| 15           | Meters                            | 18,107    | -          | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | 18,107   | -               | -          | -        |    |              |
| 16           | Street Lighting                   | 10,870    | -          | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | 10,870          | -          | -        |    |              |
| 17           | Subtotal Distribution             | 586,622   | 1,521      | -            | -              | 123,730     | 176,795       | 44,594   | 31,616            | 87,241   | 41,970          | 11,632   | 38,545   | 18,107   | 10,870          | -          | -        |    |              |
| 18           | Subtotal Prod., Transmsn, & Distn | 1,936,838 | 954,662    | 95,094       | 285,283        | 123,730     | 176,795       | 44,594   | 31,616            | 87,241   | 41,970          | 11,632   | 38,545   | 18,107   | 10,870          | -          | 16,698   |    |              |
| 19           | General                           | 181,076   | 89,252     | 8,890        | 26,671         | 11,568      | 16,529        | 4,169    | 2,956             | 8,156    | 3,924           | 1,087    | 3,604    | 1,693    | 1,016           | -          | 1,561    |    |              |
| 20           | Telecontrol - Common              | 97,179    | 69,459     | 6,930        | 20,790         | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 21           | Telecontrol - Specific            | -         | -          | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 22           | Feasibility Studies               | -         | -          | -            | -              | -           | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |    |              |
| 23           | Total Depreciation Expense        | 2,215,093 | 1,113,373  | 110,915      | 332,744        | 135,298     | 193,324       | 48,763   | 34,572            | 95,398   | 45,894          | 12,719   | 42,148   | 19,800   | 11,886          | -          | 18,259   |    |              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Basis of Allocation to Classes of Service**

|          | 1                             | 2            | 3                 | 4                   | 5                   | 6                  | 7             | 8            | 9                 | 10           | 11              | 12           | 13                | 14              | 15                       | 16                  | 17                             |
|----------|-------------------------------|--------------|-------------------|---------------------|---------------------|--------------------|---------------|--------------|-------------------|--------------|-----------------|--------------|-------------------|-----------------|--------------------------|---------------------|--------------------------------|
| Line No. | Description                   | Total Amount | Production Demand | Production and      | Transmission Demand | Distribution       |               |              |                   |              |                 |              |                   |                 |                          | Accounting Customer | Specifically Assigned Customer |
|          |                               |              |                   | Transmission Energy |                     | Substations Demand | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services Customer | Meters Customer | Street Lighting Customer |                     |                                |
|          |                               |              |                   |                     |                     |                    | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     |                   |                 |                          |                     |                                |
|          |                               |              | (AED kW)          | (MWh @ Gen)         | (AED kW)            | (CP kW)            | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wtd Rural Cust)  |                 |                          | (Rural Cust)        |                                |
| Amounts  |                               |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                   |                 |                          |                     |                                |
| 1        | CFB - Goose Bay Boiler        | -            | 19,345            | 87,953              | 17,481              | -                  | -             | 1            | -                 | 1            | -               | 1            | -                 | -               | -                        | 1                   | 1                              |
| 2        | IOCC Firm                     | -            | 60,592            | 229,510             | 51,200              | -                  | -             | -            | -                 | -            | -               | -            | -                 | -               | -                        | -                   | -                              |
| 3        | IOCC Secondary                | -            | 7,945             | 324                 | 10,666              | -                  | -             | -            | -                 | -            | -               | -            | -                 | -               | -                        | -                   | -                              |
| Rural    |                               |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                   |                 |                          |                     |                                |
| 4        | 1.1Domestic                   | -            | 1,996             | 8,868               | 1,738               | 1,795              | 1,773         | 693          | 1,744             | 693          | 1,731           | 693          | 693               | 693             | -                        | 693                 | -                              |
| 5        | 1.1A Domestic All Electric    | -            | 68,854            | 276,905             | 59,638              | 64,694             | 63,949        | 6,928        | 62,863            | 6,928        | 62,403          | 6,928        | 6,928             | 6,928           | -                        | 6,928               | -                              |
| 6        | 2.1GS 0-10 kW                 | -            | 1,812             | 6,635               | 1,574               | 1,160              | 1,145         | 444          | 1,127             | 444          | 1,117           | 444          | 889               | 889             | -                        | 444                 | -                              |
| 7        | 2.2GS 10-100 kW               | -            | 15,664            | 67,882              | 13,798              | 10,330             | 10,198        | 576          | 10,049            | 576          | 9,963           | 576          | 4,653             | 4,653           | -                        | 576                 | -                              |
| 8        | 2.3GS 110-1,000 kVa           | -            | 14,587            | 97,300              | 12,968              | 8,461              | 8,357         | 99           | 8,224             | 99           | 8,159           | 99           | 846               | 846             | -                        | 99                  | -                              |
| 9        | 2.4GS Over 1,000 kVa          | -            | 6,429             | 45,432              | 5,921               | 5,525              | 5,464         | 1            | -                 | 1            | -               | 1            | 9                 | 9               | -                        | 1                   | -                              |
| 10       | 4.1Street and Area Lighting   | -            | 320               | 1,677               | 283                 | 323                | 320           | 247          | 315               | 247          | 312             | 247          | -                 | -               | 1                        | 247                 | -                              |
| 11       | Subtotal Rural                | -            | 109,661           | 504,699             | 95,920              | 92,288             | 91,206        | 8,988        | 84,322            | 8,988        | 83,685          | 8,988        | 14,017            | 14,017          | 1                        | 8,988               | -                              |
| 12       | Total Labrador Interconnected |              | 197,543           | 822,486             | 175,268             | 92,288             | 91,206        | 8,989        | 84,322            | 8,989        | 83,685          | 8,989        | 14,017            | 14,017          | 1                        | 8,989               | 1                              |
| Ratios   |                               |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                   |                 |                          |                     |                                |
| 13       | CFB - Goose Bay Boiler        | -            | 0.0979            | 0.1069              | 0.0997              | -                  | -             | 0.0001       | -                 | 0.0001       | -               | 0.0001       | -                 | -               | -                        | 0.0001              | 1.0000                         |
| 14       | IOCC Firm                     | -            | 0.3067            | 0.2790              | 0.2921              | -                  | -             | -            | -                 | -            | -               | -            | -                 | -               | -                        | -                   | -                              |
| 15       | IOCC Secondary                | -            | 0.0402            | 0.0004              | 0.0609              | -                  | -             | -            | -                 | -            | -               | -            | -                 | -               | -                        | -                   | -                              |
| Rural    |                               |              |                   |                     |                     |                    |               |              |                   |              |                 |              |                   |                 |                          |                     |                                |
| 16       | 1.1Domestic                   | -            | 0.0101            | 0.0108              | 0.0099              | 0.0195             | 0.0194        | 0.0770       | 0.0207            | 0.0770       | 0.0207          | 0.0770       | 0.0494            | 0.0494          | -                        | 0.0770              | -                              |
| 17       | 1.1A Domestic All Electric    | -            | 0.3486            | 0.3367              | 0.3403              | 0.7010             | 0.7011        | 0.7708       | 0.7455            | 0.7708       | 0.7457          | 0.7708       | 0.4943            | 0.4943          | -                        | 0.7708              | -                              |
| 18       | 2.1GS 0-10 kW                 | -            | 0.0092            | 0.0081              | 0.0090              | 0.0126             | 0.0125        | 0.0494       | 0.0134            | 0.0494       | 0.0134          | 0.0494       | 0.0634            | 0.0634          | -                        | 0.0494              | -                              |
| 19       | 2.2GS 10-100 kW               | -            | 0.0793            | 0.0825              | 0.0787              | 0.1119             | 0.1118        | 0.0641       | 0.1192            | 0.0641       | 0.1191          | 0.0641       | 0.3319            | 0.3319          | -                        | 0.0641              | -                              |
| 20       | 2.3GS 110-1,000 kVa           | -            | 0.0738            | 0.1183              | 0.0740              | 0.0917             | 0.0916        | 0.0110       | 0.0975            | 0.0110       | 0.0975          | 0.0110       | 0.0604            | 0.0604          | -                        | 0.0110              | -                              |
| 21       | 2.4GS Over 1,000 kVa          | -            | 0.0325            | 0.0552              | 0.0338              | 0.0599             | 0.0599        | 0.0001       | -                 | 0.0001       | -               | 0.0001       | 0.0006            | 0.0006          | -                        | 0.0001              | -                              |
| 22       | 4.1Street and Area Lighting   | -            | 0.0016            | 0.0020              | 0.0016              | 0.0035             | 0.0035        | 0.0274       | 0.0037            | 0.0274       | 0.0037          | 0.0274       | -                 | -               | 1.0000                   | 0.0274              | -                              |
| 23       | Subtotal Rural                |              | 0.5551            | 0.6136              | 0.5473              | 1.0000             | 1.0000        | 0.9999       | 1.0000            | 0.9999       | 1.0000          | 0.9999       | 1.0000            | 1.0000          | 1.0000                   | 0.9999              | -                              |
| 24       | Total Labrador Interconnected |              | 1.0000            | 1.0000              | 1.0000              | 1.0000             | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000            | 1.0000          | 1.0000                   | 1.0000              | 1.0000                         |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|                                                      | 1                           | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13                     | 14                   | 15                            | 16        | 17                       |                                     |
|------------------------------------------------------|-----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|-----------|--------------------------|-------------------------------------|
| Line No.                                             | Description                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |                        |                      |                               |           | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|                                                      |                             |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |           |                          |                                     |
|                                                      |                             |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |           |                          |                                     |
| Allocated Revenue Requirement Excl Interest & Margin |                             |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |           |                          |                                     |
| 1                                                    | CFB - Goose Bay Secondary   | 581,266           | 307,418                | 153,832                                 | 81,624                   | -                       | -             | 48            | -                 | 32            | -               | 10            | -                      | -                    | -                             | 117       | 38,187                   |                                     |
| 2                                                    | IOCC Firm                   | 1,603,381         | 962,901                | 401,419                                 | 239,061                  | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 3                                                    | IOCC Secondary              | 176,631           | 126,263                | 566                                     | 49,802                   | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 4                                                    | 1.1Domestic                 | 268,139           | 31,712                 | 15,510                                  | 8,113                    | 9,079                   | 35,656        | 33,262        | 2,138             | 21,969        | 6,498           | 6,708         | 9,765                  | 6,881                | -                             | 80,847    | -                        |                                     |
| 5                                                    | 1.1A Domestic All Electric  | 5,376,255         | 1,094,202              | 484,314                                 | 278,459                  | 327,138                 | 1,285,742     | 332,778       | 77,043            | 219,791       | 234,274         | 67,109        | 97,700                 | 68,844               | -                             | 808,861   | -                        |                                     |
| 6                                                    | 2.1GS 0-10 kW               | 195,205           | 28,797                 | 11,605                                  | 7,350                    | 5,864                   | 23,014        | 21,346        | 1,381             | 14,098        | 4,195           | 4,305         | 12,534                 | 8,832                | -                             | 51,884    | -                        |                                     |
| 7                                                    | 2.2GS 10-100 kW             | 969,764           | 248,921                | 118,727                                 | 64,428                   | 52,238                  | 205,044       | 27,686        | 12,316            | 18,286        | 37,402          | 5,583         | 65,607                 | 46,230               | -                             | 67,295    | -                        |                                     |
| 8                                                    | 2.3GS 110-1,000 kVa         | 754,760           | 231,805                | 170,181                                 | 60,552                   | 42,783                  | 168,025       | 4,743         | 10,078            | 3,133         | 30,629          | 957           | 11,936                 | 8,411                | -                             | 11,529    | -                        |                                     |
| 9                                                    | 2.4GS Over 1,000 kVa        | 347,480           | 102,159                | 79,462                                  | 27,648                   | 27,937                  | 109,863       | 48            | -                 | 32            | -               | 10            | 121                    | 85                   | -                             | 117       | -                        |                                     |
| 10                                                   | 4.1Street and Area Lighting | 112,834           | 5,086                  | 2,933                                   | 1,321                    | 1,636                   | 6,426         | 11,844        | 386               | 7,822         | 1,172           | 2,388         | -                      | -                    | 43,034                        | 28,788    | -                        |                                     |
| 11                                                   | Total                       | 10,385,717        | 3,139,264              | 1,438,549                               | 818,358                  | 466,674                 | 1,833,768     | 431,755       | 103,342           | 285,163       | 314,170         | 87,069        | 197,663                | 139,283              | 43,034                        | 1,049,437 | 38,187                   |                                     |
| Allocated Interest                                   |                             |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |                        |                      |                               |           |                          |                                     |
| 12                                                   | CFB - Goose Bay Secondary   | 280,982           | 115,755                | 34,041                                  | 95,251                   | -                       | -             | 9             | -                 | 17            | -               | 2             | -                      | -                    | -                             | -         | 35,907                   |                                     |
| 13                                                   | IOCC Firm                   | 730,372           | 362,570                | 88,828                                  | 278,974                  | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 14                                                   | IOCC Secondary              | 105,785           | 47,543                 | 125                                     | 58,117                   | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 15                                                   | 1.1Domestic                 | 61,960            | 11,941                 | 3,432                                   | 9,468                    | 4,261                   | 6,248         | 6,125         | 1,130             | 11,607        | 1,502           | 1,550         | 3,504                  | 1,193                | -                             | -         | -                        |                                     |
| 16                                                   | 1.1A Domestic All Electric  | 1,557,692         | 412,010                | 107,172                                 | 324,950                  | 153,515                 | 225,297       | 61,281        | 40,704            | 116,122       | 54,137          | 15,508        | 35,060                 | 11,937               | -                             | -         | -                        |                                     |
| 17                                                   | 2.1GS 0-10 kW               | 48,875            | 10,843                 | 2,568                                   | 8,577                    | 2,752                   | 4,033         | 3,931         | 730               | 7,449         | 969             | 995           | 4,498                  | 1,531                | -                             | -         | -                        |                                     |
| 18                                                   | 2.2GS 10-100 kW             | 318,387           | 93,729                 | 26,272                                  | 75,184                   | 24,513                  | 35,929        | 5,098         | 6,507             | 9,661         | 8,643           | 1,290         | 23,544                 | 8,016                | -                             | -         | -                        |                                     |
| 19                                                   | 2.3GS 110-1,000 kVa         | 266,016           | 87,284                 | 37,658                                  | 70,661                   | 20,077                  | 29,442        | 873           | 5,325             | 1,655         | 7,078           | 221           | 4,283                  | 1,458                | -                             | -         | -                        |                                     |
| 20                                                   | 2.4GS Over 1,000 kVa        | 120,761           | 38,467                 | 17,584                                  | 32,264                   | 13,110                  | 19,251        | 9             | -                 | 17            | -               | 2             | 43                     | 15                   | -                             | -         | -                        |                                     |
| 21                                                   | 4.1Street and Area Lighting | 32,484            | 1,915                  | 649                                     | 1,541                    | 768                     | 1,126         | 2,181         | 204               | 4,133         | 271             | 552           | -                      | -                    | 19,145                        | -         | -                        |                                     |
| 22                                                   | Total                       | 3,523,315         | 1,182,056              | 318,329                                 | 954,988                  | 218,994                 | 321,326       | 79,507        | 54,599            | 150,660       | 72,599          | 20,120        | 70,933                 | 24,151               | 19,145                        | -         | 35,907                   |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|      | 1                                   | 2          | 3          | 4              | 5            | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17       |  |              |
|------|-------------------------------------|------------|------------|----------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|--|--------------|
|      |                                     |            |            | Production and |              | Distribution |               |          |                   |          |                 |          |          |          |                 |            |          |  | Specifically |
| Line |                                     | Total      | Production | Transmission   | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |  |              |
| No.  | Description                         | Amount     | Demand     | Energy         | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |  |              |
|      |                                     | (\$)       | (\$)       | (\$)           | (\$)         | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |  |              |
|      | Allocated Margin                    |            |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |  |              |
| 23   | CFB - Goose Bay Secondary           | 43,911     | 18,090     | 5,320          | 14,886       | -            | -             | 1        | -                 | 3        | -               | 0        | -        | -        | -               | -          | 5,611    |  |              |
| 24   | IOCC Firm                           | 114,140    | 56,661     | 13,882         | 43,597       | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |              |
| 25   | IOCC Secondary                      | 16,532     | 7,430      | 20             | 9,082        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |              |
| 26   | 1.1Domestic                         | 9,683      | 1,866      | 536            | 1,480        | 666          | 976           | 957      | 177               | 1,814    | 235             | 242      | 548      | 186      | -               | -          | -        |  |              |
| 27   | 1.1A Domestic All Electric          | 243,430    | 64,387     | 16,748         | 50,782       | 23,991       | 35,209        | 9,577    | 6,361             | 18,147   | 8,460           | 2,423    | 5,479    | 1,866    | -               | -          | -        |  |              |
| 28   | 2.1GS 0-10 kW                       | 7,638      | 1,695      | 401            | 1,340        | 430          | 630           | 614      | 114               | 1,164    | 152             | 155      | 703      | 239      | -               | -          | -        |  |              |
| 29   | 2.2GS 10-100 kW                     | 49,756     | 14,648     | 4,106          | 11,750       | 3,831        | 5,615         | 797      | 1,017             | 1,510    | 1,351           | 202      | 3,679    | 1,253    | -               | -          | -        |  |              |
| 30   | 2.3GS 110-1,000 kVa                 | 41,572     | 13,640     | 5,885          | 11,043       | 3,138        | 4,601         | 136      | 832               | 259      | 1,106           | 35       | 669      | 228      | -               | -          | -        |  |              |
| 31   | 2.4GS Over 1,000 kVa                | 18,872     | 6,011      | 2,748          | 5,042        | 2,049        | 3,008         | 1        | -                 | 3        | -               | 0        | 7        | 2        | -               | -          | -        |  |              |
| 32   | 4.1Street and Area Lighting         | 5,076      | 299        | 101            | 241          | 120          | 176           | 341      | 32                | 646      | 42              | 86       | -        | -        | 2,992           | -          | -        |  |              |
| 33   | Total                               | 550,611    | 184,727    | 49,747         | 149,242      | 34,224       | 50,216        | 12,425   | 8,533             | 23,545   | 11,346          | 3,144    | 11,085   | 3,774    | 2,992           | -          | 5,611    |  |              |
|      | Total Allocated Revenue Requirement |            |            |                |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |  |              |
| 34   | CFB - Goose Bay Secondary           | 906,159    | 441,262    | 193,193        | 191,761      | -            | -             | 58       | -                 | 51       | -               | 12       | -        | -        | -               | 117        | 79,705   |  |              |
| 35   | IOCC Firm                           | 2,447,893  | 1,382,132  | 504,128        | 561,633      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |              |
| 36   | IOCC Secondary                      | 298,948    | 181,235    | 711            | 117,002      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |  |              |
| 37   | 1.1Domestic                         | 339,782    | 45,518     | 19,479         | 19,061       | 14,005       | 42,881        | 40,344   | 3,444             | 35,389   | 8,235           | 8,500    | 13,817   | 8,261    | -               | 80,847     | -        |  |              |
| 38   | 1.1A Domestic All Electric          | 7,177,377  | 1,570,599  | 608,234        | 654,191      | 504,643      | 1,546,247     | 403,635  | 124,109           | 354,061  | 296,871         | 85,040   | 138,239  | 82,647   | -               | 808,861    | -        |  |              |
| 39   | 2.1GS 0-10 kW                       | 251,718    | 41,335     | 14,575         | 17,267       | 9,045        | 27,676        | 25,891   | 2,224             | 22,711   | 5,316           | 5,455    | 17,735   | 10,603   | -               | 51,884     | -        |  |              |
| 40   | 2.2GS 10-100 kW                     | 1,337,908  | 357,298    | 149,105        | 151,361      | 80,582       | 246,588       | 33,581   | 19,840            | 29,457   | 47,396          | 7,075    | 92,830   | 55,499   | -               | 67,295     | -        |  |              |
| 41   | 2.3GS 110-1,000 kVa                 | 1,062,349  | 332,729    | 213,724        | 142,256      | 65,997       | 202,068       | 5,753    | 16,235            | 5,046    | 38,813          | 1,212    | 16,889   | 10,097   | -               | 11,529     | -        |  |              |
| 42   | 2.4GS Over 1,000 kVa                | 487,114    | 146,638    | 99,793         | 64,955       | 43,095       | 132,122       | 58       | -                 | 51       | -               | 12       | 171      | 102      | -               | 117        | -        |  |              |
| 43   | 4.1Street and Area Lighting         | 150,395    | 7,301      | 3,683          | 3,102        | 2,523        | 7,727         | 14,366   | 621               | 12,601   | 1,485           | 3,027    | -        | -        | 65,171          | 28,788     | -        |  |              |
| 44   | Total                               | 14,459,642 | 4,506,047  | 1,806,626      | 1,922,589    | 719,891      | 2,205,310     | 523,687  | 166,474           | 459,368  | 398,115         | 110,333  | 279,681  | 167,208  | 65,171          | 1,049,437  | 79,705   |  |              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Calculation of Generation AED Factors**

| 1                                     | 2                         | 3                      | 4              | 5        | 6             | 7        | 8        | 9         |
|---------------------------------------|---------------------------|------------------------|----------------|----------|---------------|----------|----------|-----------|
| Line No.                              | Sales+Losses for AED MWhs | Class NCP at Generator | Average Demand |          | Excess Demand |          | Total    |           |
|                                       |                           |                        | Amount         | Weighted | Amount        | Weighted | Weighted | Amount    |
| <b>Island Interconnected</b>          |                           |                        |                |          |               |          |          |           |
| 1 Newfoundland Power                  | 4,531,400                 | 842,269                | 517,283        | 0.4821   | 324,986       | 0.2707   | 0.7528   | 807,731   |
| 2 Industrial                          | 1,238,968                 | 178,991                | 141,435        | 0.1318   | 37,556        | 0.0313   | 0.1631   | 174,999   |
| <b>Rural</b>                          |                           |                        |                |          |               |          |          |           |
| 3 1.1 Domestic                        | 117,811                   | 27,953                 | 13,449         | 0.0125   | 14,504        | 0.0121   | 0.0246   | 26,411    |
| 4 1.12 Domestic All Electric          | 117,067                   | 33,132                 | 13,364         | 0.0125   | 19,768        | 0.0165   | 0.0289   | 31,031    |
| 5 1.3 Special                         | 247                       | 71                     | 28             | 0.0000   | 43            | 0.0000   | 0.0001   | 67        |
| 6 2.1 General Service 0-10 kW         | 16,823                    | 4,591                  | 1,920          | 0.0018   | 2,670         | 0.0022   | 0.0040   | 4,307     |
| 7 2.2 General Service 10-100 kW       | 60,945                    | 12,261                 | 6,957          | 0.0065   | 5,304         | 0.0044   | 0.0109   | 11,698    |
| 8 2.3 General Service 110-1,000 kVa   | 41,221                    | 9,640                  | 4,706          | 0.0044   | 4,934         | 0.0041   | 0.0085   | 9,115     |
| 9 Secondary                           | 35,555                    | 8,322                  | 4,059          | 0.0038   | 4,263         | 0.0036   | 0.0073   | 7,869     |
| 10 Primary                            | 5,666                     | 1,318                  | 647            | 0.0006   | 671           | 0.0006   | 0.0012   | 1,247     |
| 11 2.4 General Service Over 1,000 kVa | 28,706                    | 7,397                  | 3,277          | 0.0031   | 4,120         | 0.0034   | 0.0065   | 6,959     |
| 12 Secondary                          | 17,983                    | 4,644                  | 2,053          | 0.0019   | 2,591         | 0.0022   | 0.0041   | 4,369     |
| 13 Primary                            | 10,722                    | 2,753                  | 1,224          | 0.0011   | 1,529         | 0.0013   | 0.0024   | 2,590     |
| 14 4.1 Street and Area Lighting       | 3,284                     | 733                    | 375            | 0.0003   | 358           | 0.0003   | 0.0006   | 695       |
| 15 Subtotal Rural                     | 386,104                   | 95,778                 | 44,076         | 0.0411   | 51,702        | 0.0431   | 0.0841   | 90,283    |
| 16 Total Island Interconnected        | 6,156,472                 | 1,117,038              | 702,794        | 0.6550   | 414,244       | 0.3450   | 1.0000   | 1,073,013 |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Island Isolated  
Calculation of Generation AED Factors

| Line<br>No. | 1                                   | 2                               | 3                            | 4              | 5             | 6             | 7             | 8             | 9            |
|-------------|-------------------------------------|---------------------------------|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
|             |                                     | Sales+Losses<br>for AED<br>MWhs | Class NCP<br>at<br>Generator | Average Demand |               | Excess Demand |               | Total         |              |
|             |                                     |                                 |                              | Amount         | Weighted      | Amount        | Weighted      | Weighted      | Amount       |
|             | <b>Island Isolated</b>              |                                 |                              |                |               |               |               |               |              |
| 1           | 1.2 Domestic Diesel                 | 7,514                           | 3,416                        | 858            | 0.2160        | 2,558         | 0.4156        | 0.6315        | 2,508        |
| 2           | 1.2G Government Domestic Diesel     | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 3           | 1.23 Churches & Schools             | 590                             | 454                          | 67             | 0.0170        | 387           | 0.0628        | 0.0798        | 317          |
| 4           | 2.2 General Service 10-100 kW       | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 5           | 2.3 General Service 110-1,000 kVa   | 791                             | 636                          | 90             | 0.0227        | 546           | 0.0886        | 0.1114        | 442          |
| 6           | 2.5 General Service Diesel          | 1,890                           | 913                          | 216            | 0.0543        | 697           | 0.1132        | 0.1676        | 666          |
| 7           | 2.5G Government General Service Die | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 8           | 4.1 Street and Area Lighting        | 126                             | 52                           | 14             | 0.0036        | 38            | 0.0062        | 0.0098        | 39           |
| 9           | 4.1G Government Street Lighting     | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 10          | <b>Total Island Isolated</b>        | <b>10,911</b>                   | <b>5,472</b>                 | <b>1,246</b>   | <b>0.3136</b> | <b>4,226</b>  | <b>0.6864</b> | <b>1.0000</b> | <b>3,972</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Isolated**  
**Calculation of Generation AED Factors**

| Line<br>No. | 1                                   | 2                               | 3                            | 4              | 5             | 6             | 7             | 8             | 9            |
|-------------|-------------------------------------|---------------------------------|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
|             |                                     | Sales+Losses<br>for AED<br>MWhs | Class NCP<br>at<br>Generator | Average Demand |               | Excess Demand |               | Total         |              |
|             |                                     |                                 |                              | Amount         | Weighted      | Amount        | Weighted      | Weighted      | Amount       |
|             | <b>Labrador Isolated</b>            |                                 |                              |                |               |               |               |               |              |
| 1           | 1.2 Domestic Diesel                 | 19,944                          | 6,929                        | 2,277          | 0.2503        | 4,652         | 0.2646        | 0.5149        | 4,684        |
| 2           | 1.2G Government Domestic Diesel     | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 3           | 1.23 Churches & Schools             | 1,722                           | 1,008                        | 197            | 0.0216        | 812           | 0.0462        | 0.0678        | 616          |
| 4           | 2.2 General Service 10-100 kW       | 550                             | 270                          | 63             | 0.0069        | 207           | 0.0118        | 0.0187        | 170          |
| 5           | 2.3 General Service 110-1,000 kVa   | 2,630                           | 1,549                        | 300            | 0.0330        | 1,249         | 0.0710        | 0.1040        | 947          |
| 6           | 2.4 General Service over 1000 kVa   | 1,924                           | 871                          | 220            | 0.0241        | 651           | 0.0370        | 0.0612        | 557          |
| 7           | 2.5 General Service Diesel          | 9,001                           | 3,038                        | 1,028          | 0.1130        | 2,010         | 0.1144        | 0.2273        | 2,068        |
| 8           | 2.5G Government General Service Die | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 9           | 4.1 Street and Area Lighting        | 250                             | 81                           | 29             | 0.0031        | 53            | 0.0030        | 0.0061        | 56           |
| 10          | 4.1G Government Street Lighting     | -                               | -                            | -              | -             | 0             | -             | -             | -            |
| 11          | <b>Total Labrador Isolated</b>      | <b>36,019</b>                   | <b>13,746</b>                | <b>4,112</b>   | <b>0.4520</b> | <b>9,634</b>  | <b>0.5480</b> | <b>1.0000</b> | <b>9,097</b> |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
L'Anse Au Loup  
Calculation of Generation AED Factors

| Line<br>No. | 1                                 | 2                               | 3                            | 4              | 5             | 6             | 7             | 8             | 9            |
|-------------|-----------------------------------|---------------------------------|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
|             |                                   | Sales+Losses<br>for AED<br>MWhs | Class NCP<br>at<br>Generator | Average Demand |               | Excess Demand |               | Total         |              |
|             |                                   |                                 |                              | Amount         | Weighted      | Amount        | Weighted      | Weighted      | Amount       |
|             | <b>L'Anse Au Loup</b>             |                                 |                              |                |               |               |               |               |              |
| 1           | 1.1 Domestic                      | 8,190                           | 2,447                        | 935            | 0.2938        | 1,512         | 0.2846        | 0.5784        | 1,841        |
| 2           | 1.12 Domestic All Electric        | 350                             | 127                          | 40             | 0.0126        | 87            | 0.0163        | 0.0289        | 92           |
| 3           | 2.1 General Service 0-10 kW       | 1,178                           | 438                          | 134            | 0.0423        | 304           | 0.0571        | 0.0994        | 316          |
| 4           | 2.2 General Service 10-100 kW     | 3,071                           | 760                          | 351            | 0.1102        | 409           | 0.0770        | 0.1871        | 595          |
| 5           | 2.3 General Service 110-1,000 kVa | 914                             | 451                          | 104            | 0.0328        | 347           | 0.0652        | 0.0980        | 312          |
| 6           | 4.1 Street and Area Lighting      | 121                             | 34                           | 14             | 0.0044        | 20            | 0.0038        | 0.0081        | 26           |
| 7           | <b>Total L'Anse Au Loup</b>       | <b>13,825</b>                   | <b>4,257</b>                 | <b>1,578</b>   | <b>0.4960</b> | <b>2,679</b>  | <b>0.5040</b> | <b>1.0000</b> | <b>3,182</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Calculation of Generation AED Factors**

| 1                                       | 2                         | 3                      | 4              | 5             | 6              | 7             | 8             | 9              |
|-----------------------------------------|---------------------------|------------------------|----------------|---------------|----------------|---------------|---------------|----------------|
| Line No.                                | Sales+Losses for AED MWhs | Class NCP at Generator | Average Demand |               | Excess Demand  |               | Total         |                |
|                                         |                           |                        | Amount         | Weighted      | Amount         | Weighted      | Weighted      | Amount         |
| <b>Labrador Interconnected</b>          |                           |                        |                |               |                |               |               |                |
| 1 IOCC Firm                             | 229,510                   | 70,622                 | 26,200         | 0.1326        | 44,422         | 0.1741        | 0.3067        | 60,592         |
| 2 IOCC Secondary                        | 324                       | 10,252                 | 37             | 0.0002        | 10,215         | 0.0400        | 0.0402        | 7,945          |
| 3 CFB - Goose Bay Secondary             | 87,953                    | 22,058                 | 10,040         | 0.0508        | 12,018         | 0.0471        | 0.0979        | 19,345         |
| 4 1.1 Domestic                          | 8,868                     | 2,282                  | 1,012          | 0.0051        | 1,270          | 0.0050        | 0.0101        | 1,996          |
| 5 1.1A Domestic All Electric            | 276,905                   | 79,716                 | 31,610         | 0.1600        | 48,106         | 0.1885        | 0.3486        | 68,854         |
| 6 2.1 General Service 0-10 kW           | 6,635                     | 2,120                  | 757            | 0.0038        | 1,362          | 0.0053        | 0.0092        | 1,812          |
| 7 2.2 General Service 10-100 kW         | 67,882                    | 17,972                 | 7,749          | 0.0392        | 10,223         | 0.0401        | 0.0793        | 15,664         |
| 8 2.3 General Service 110-1,000 kVa     | 97,300                    | 15,601                 | 11,107         | 0.0562        | 4,494          | 0.0176        | 0.0738        | 14,587         |
| 9 2.4 General Service Over 1,000 kVa    | 45,432                    | 6,791                  | 5,186          | 0.0263        | 1,604          | 0.0063        | 0.0325        | 6,429          |
| 10 4.1 Street and Area Lighting         | 1,677                     | 358                    | 191            | 0.0010        | 166            | 0.0007        | 0.0016        | 320            |
| <b>11 Total Labrador Interconnected</b> | <b>822,486</b>            | <b>227,771</b>         | <b>93,891</b>  | <b>0.4753</b> | <b>133,879</b> | <b>0.5247</b> | <b>1.0000</b> | <b>197,543</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Interconnected**  
**Calculation of Transmission AED Factors**

| Line<br>No. | 1                                  | 2                               | 3                | 4              | 5             | 6              | 7             | 8             | 9                |
|-------------|------------------------------------|---------------------------------|------------------|----------------|---------------|----------------|---------------|---------------|------------------|
|             | Trans Output<br>for AED<br>MWhs    | Class NCP<br>at<br>Transmission | Average Demand   |                | Excess Demand |                | Total         |               |                  |
|             |                                    |                                 | Amount           | Weighted       | Amount        | Weighted       | Weighted      | Amount        |                  |
|             | <b>Island Interconnected</b>       |                                 |                  |                |               |                |               |               |                  |
| 1           | Newfoundland Power                 | 4,428,205                       | 809,444          | 505,503        | 0.4877        | 303,941        | 0.2652        | 0.7529        | 780,325          |
| 2           | Industrial                         | 1,210,753                       | 172,015          | 138,214        | 0.1334        | 33,801         | 0.0295        | 0.1628        | 168,777          |
|             | <b>Rural</b>                       |                                 |                  |                |               |                |               |               |                  |
| 3           | 1.1 Domestic                       | 115,128                         | 26,863           | 13,142         | 0.0127        | 13,721         | 0.0120        | 0.0247        | 25,549           |
| 4           | 1.12 Domestic All Electric         | 114,401                         | 31,841           | 13,060         | 0.0126        | 18,782         | 0.0164        | 0.0290        | 30,042           |
| 5           | 1.3 Special                        | 241                             | 69               | 28             | 0.0000        | 41             | 0.0000        | 0.0001        | 65               |
| 6           | 2.1 General Service 0-10 kW        | 16,440                          | 4,412            | 1,877          | 0.0018        | 2,535          | 0.0022        | 0.0040        | 4,169            |
| 7           | 2.2 General Service 10-100 kW      | 59,557                          | 11,783           | 6,799          | 0.0066        | 4,985          | 0.0043        | 0.0109        | 11,306           |
| 8           | 2.3 General Service 110-1,000 kVa  | 40,283                          | 9,264            | 4,598          | 0.0044        | 4,666          | 0.0041        | 0.0085        | 8,817            |
| 9           | Secondary                          | 34,745                          | 7,997            | 3,966          | 0.0038        | 4,031          | 0.0035        | 0.0073        | 7,611            |
| 10          | Primary                            | 5,537                           | 1,267            | 632            | 0.0006        | 635            | 0.0006        | 0.0012        | 1,206            |
| 11          | 2.4 General Service Over 1,000 kVa | 28,052                          | 7,109            | 3,202          | 0.0031        | 3,906          | 0.0034        | 0.0065        | 6,734            |
| 12          | Secondary                          | 17,574                          | 4,463            | 2,006          | 0.0019        | 2,457          | 0.0021        | 0.0041        | 4,228            |
| 13          | Primary                            | 10,478                          | 2,646            | 1,196          | 0.0012        | 1,449          | 0.0013        | 0.0024        | 2,507            |
| 15          | 4.1 Street and Area Lighting       | 3,209                           | 704              | 366            | 0.0004        | 338            | 0.0003        | 0.0006        | 672              |
| 16          | <b>Subtotal Rural</b>              | <b>377,311</b>                  | <b>92,045</b>    | <b>43,072</b>  | <b>0.0416</b> | <b>48,973</b>  | <b>0.0427</b> | <b>0.0843</b> | <b>87,353</b>    |
| 17          | <b>Total Island Interconnected</b> | <b>6,016,269</b>                | <b>1,073,504</b> | <b>686,789</b> | <b>0.6626</b> | <b>386,715</b> | <b>0.3374</b> | <b>1.0000</b> | <b>1,036,455</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Island Isolated**  
**Calculation of Transmission AED Factors**

| Line No. | 1                                 | 2                               | 3                               | 4                     | 5             | 6                    | 7             | 8             | 9            |
|----------|-----------------------------------|---------------------------------|---------------------------------|-----------------------|---------------|----------------------|---------------|---------------|--------------|
|          |                                   | Trans Output<br>for AED<br>MWhs | Class NCP<br>at<br>Transmission | <u>Average Demand</u> |               | <u>Excess Demand</u> |               | <u>Total</u>  |              |
|          |                                   |                                 |                                 | Amount                | Weighted      | Amount               | Weighted      | Weighted      | Amount       |
|          | <b>Island Isolated</b>            |                                 |                                 |                       |               |                      |               |               |              |
| 1        | 1.2 Domestic Diesel               | 7,440                           | 3,399                           | 849                   | 0.2153        | 2,549                | 0.4162        | 0.6315        | 2,491        |
| 2        | 1.2G Government Domestic Diesel   | -                               | -                               | -                     | -             | -                    | -             | -             | -            |
| 3        | 1.23 Churches & Schools           | 584                             | 452                             | 67                    | 0.0169        | 385                  | 0.0628        | 0.0797        | 315          |
| 4        | 2.2 General Service 10-100 kW     | -                               | -                               | -                     | -             | -                    | -             | -             | -            |
| 5        | 2.3 General Service 110-1,000 kVa | 784                             | 633                             | 89                    | 0.0227        | 543                  | 0.0887        | 0.1114        | 439          |
| 6        | 2.5 General Service Diesel        | 1,872                           | 908                             | 214                   | 0.0542        | 695                  | 0.1134        | 0.1676        | 661          |
| 7        | 2.5G Government General Service   | -                               | -                               | -                     | -             | -                    | -             | -             | -            |
| 8        | 4.1 Street and Area Lighting      | 124                             | 52                              | 14                    | 0.0036        | 38                   | 0.0062        | 0.0098        | 39           |
| 9        | 4.1G Government Street Lighting   | -                               | -                               | -                     | -             | -                    | -             | -             | -            |
| 10       | <b>Total Island Isolated</b>      | <b>10,804</b>                   | <b>5,444</b>                    | <b>1,233</b>          | <b>0.3127</b> | <b>4,210</b>         | <b>0.6873</b> | <b>1.0000</b> | <b>3,944</b> |

NEWFOUNDLAND & LABRADOR HYDRO  
2001 Actual Cost of Service - Interim Methodology  
Labrador Isolated  
Calculation of Transmission AED Factors

| Line No.                            | 1                               | 2                               | 3              | 4             | 5             | 6             | 7             | 8            | 9 |
|-------------------------------------|---------------------------------|---------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|---|
|                                     | Trans Output<br>for AED<br>MWhs | Class NCP<br>at<br>Transmission | Average Demand |               | Excess Demand |               | Total         |              |   |
|                                     |                                 |                                 | Amount         | Weighted      | Amount        | Weighted      | Weighted      | Amount       |   |
| <b>Labrador Isolated</b>            |                                 |                                 |                |               |               |               |               |              |   |
| 1 1.2 Domestic Diesel               | 19,783                          | 6,889                           | 2,258          | 0.25043       | 4,630         | 0.26451       | 0.5149        | 4,644        |   |
| 2 1.2G Government Domestic Diesel   | -                               | -                               | -              | -             | -             | -             | -             | -            |   |
| 3 1.23 Churches & Schools           | 1,708                           | 1,002                           | 195            | 0.02162       | 807           | 0.04611       | 0.0677        | 611          |   |
| 4 2.2 General Service 10-100 kW     | 545                             | 268                             | 62             | 0.00690       | 206           | 0.01178       | 0.0187        | 168          |   |
| 5 2.3 General Service 110-1,000 kVa | 2,609                           | 1,540                           | 298            | 0.03302       | 1,242         | 0.07098       | 0.1040        | 938          |   |
| 6 2.4 General Service over 1000 kVa | 1,908                           | 866                             | 218            | 0.02415       | 648           | 0.03701       | 0.0612        | 552          |   |
| 7 2.5 General Service Diesel        | 8,929                           | 3,020                           | 1,019          | 0.11303       | 2,001         | 0.11431       | 0.2273        | 2,050        |   |
| 8 2.5G Government General Service   | -                               | -                               | -              | -             | -             | -             | -             | -            |   |
| 9 4.1 Street and Area Lighting      | 248                             | 81                              | 28             | 0.00314       | 52            | 0.00299       | 0.0061        | 55           |   |
| 10 4.1G Government Street Lighting  | -                               | -                               | -              | -             | -             | -             | -             | -            |   |
| 11 <b>Total Labrador Isolated</b>   | <b>35,730</b>                   | <b>13,667</b>                   | <b>4,079</b>   | <b>0.4523</b> | <b>9,588</b>  | <b>0.5477</b> | <b>1.0000</b> | <b>9,018</b> |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**L'Anse Au Loup**  
**Calculation of Transmission AED Factors**

| Line<br>No. | 1                                 | 2                               | 3                               | 4              | 5             | 6             | 7             | 8             | 9            |
|-------------|-----------------------------------|---------------------------------|---------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
|             |                                   | Trans Output<br>for AED<br>MWhs | Class NCP<br>at<br>Transmission | Average Demand |               | Excess Demand |               | Total         |              |
|             |                                   |                                 |                                 | Amount         | Weighted      | Amount        | Weighted      | Weighted      | Amount       |
|             | <b>L'Anse au Loup</b>             |                                 |                                 |                |               |               |               |               |              |
| 1           | 1.1 Domestic                      | 8,165                           | 2,445                           | 932            | 0.2934        | 1,513         | 0.2850        | 0.5784        | 1,838        |
| 2           | 1.12 Domestic All Electric        | 349                             | 127                             | 40             | 0.0126        | 87            | 0.0164        | 0.0289        | 92           |
| 3           | 2.1 General Service 0-10 kW       | 1,174                           | 437                             | 134            | 0.0422        | 303           | 0.0572        | 0.0994        | 316          |
| 4           | 2.2 General Service 10-100 kW     | 3,061                           | 759                             | 349            | 0.1100        | 409           | 0.0771        | 0.1871        | 595          |
| 5           | 2.3 General Service 110-1,000 kVa | 911                             | 451                             | 104            | 0.0327        | 347           | 0.0653        | 0.0980        | 311          |
| 6           | 4.1 Street and Area Lighting      | 121                             | 34                              | 14             | 0.0043        | 20            | 0.0038        | 0.0081        | 26           |
| 7           | <b>Total L'Anse au Loup</b>       | <b>13,782</b>                   | <b>4,252</b>                    | <b>1,573</b>   | <b>0.4952</b> | <b>2,679</b>  | <b>0.5048</b> | <b>1.0000</b> | <b>3,177</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Labrador Interconnected**  
**Calculation of Transmission AED Factors**

| Line<br>No. | 1                                    | 2                               | 3                               | 4                     | 5             | 6                    | 7             | 8             | 9              |
|-------------|--------------------------------------|---------------------------------|---------------------------------|-----------------------|---------------|----------------------|---------------|---------------|----------------|
|             |                                      | Trans Output<br>for AED<br>MWhs | Class NCP<br>at<br>Transmission | <u>Average Demand</u> |               | <u>Excess Demand</u> |               | <u>Total</u>  |                |
|             |                                      |                                 |                                 | Amount                | Weighted      | Amount               | Weighted      | Weighted      | Amount         |
|             | <b>Labrador Interconnected</b>       |                                 |                                 |                       |               |                      |               |               |                |
| 1           | IOCC Firm                            | 199,098                         | 62,000                          | 22,728                | 0.13          | 39,272               | 0.1624        | 0.2921        | 51,200         |
| 2           | IOCC Secondary                       | 281                             | 14,700                          | 32                    | 0.00          | 14,668               | 0.0607        | 0.0609        | 10,666         |
| 3           | CFB - Goose Bay Secondary            | 82,365                          | 20,546                          | 9,402                 | 0.05          | 11,144               | 0.0461        | 0.0997        | 17,481         |
| 4           | 1.1 Domestic                         | 7,917                           | 2,054                           | 904                   | 0.01          | 1,150                | 0.0048        | 0.0099        | 1,738          |
| 5           | 1.1A Domestic All Electric           | 247,023                         | 71,563                          | 28,199                | 0.16          | 43,364               | 0.1794        | 0.3403        | 59,638         |
| 6           | 2.1 General Service 0-10 kW          | 5,927                           | 1,915                           | 677                   | 0.00          | 1,238                | 0.0051        | 0.0090        | 1,574          |
| 7           | 2.2 General Service 10-100 kW        | 60,950                          | 16,393                          | 6,958                 | 0.04          | 9,436                | 0.0390        | 0.0787        | 13,798         |
| 8           | 2.3 General Service 110-1,000 kVa    | 86,947                          | 14,123                          | 9,925                 | 0.06          | 4,197                | 0.0174        | 0.0740        | 12,968         |
| 9           | 2.4 General Service Over 1,000 kVa   | 42,546                          | 6,325                           | 4,857                 | 0.03          | 1,468                | 0.0061        | 0.0338        | 5,921          |
| 10          | 4.1 Street and Area Lighting         | 1,513                           | 325                             | 173                   | 0.00          | 152                  | 0.0006        | 0.0016        | 283            |
| 11          | <b>Total Labrador Interconnected</b> | <b>734,568</b>                  | <b>209,944</b>                  | <b>83,855</b>         | <b>0.4784</b> | <b>126,089</b>       | <b>0.5216</b> | <b>1.0000</b> | <b>175,268</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Functionalization & Classification Ratios**

| Line No. | 1<br>Description                                | 2<br>Total Amount (%) | 3<br>Production Demand (%) | 4<br>Production & Transmission Energy (%) | 5<br>Transmission Demand (%) | 6<br>Distribution Substations Demand (%) | 7<br>Primary Lines Demand (%) | 8<br>Customer (%) | 9<br>Line Transformers Demand (%) | 10<br>Customer (%) | 11<br>Secondary Lines Demand (%) | 12<br>Customer (%) | 13<br>Services Customer (%) | 14<br>Meters Customer (%) | 15<br>St Lighting Customer (%) | 16<br>Accounting Customer (%) | 17<br>Specifically Assigned Customer (%) |
|----------|-------------------------------------------------|-----------------------|----------------------------|-------------------------------------------|------------------------------|------------------------------------------|-------------------------------|-------------------|-----------------------------------|--------------------|----------------------------------|--------------------|-----------------------------|---------------------------|--------------------------------|-------------------------------|------------------------------------------|
|          | <b>Generation</b>                               |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 1        | Bay D'Espoir                                    | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 2        | Upper Salmon                                    | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 3        | Hinds Lake                                      | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 4        | Cat Arm                                         | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 5        | Paradise River                                  | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 6        | Hydraulic                                       | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 7        | Holyrood                                        | 100%                  | 75.00%                     | 25.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 8        | Diesel and Gas Turbines                         | 100%                  | 100%                       |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
|          | <b>Purchased Power</b>                          |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 9        | 100% Energy                                     | 100%                  |                            | 100%                                      |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 10       | Labrador - CF(L)Co equal hydraulic              | 100%                  | 50.00%                     | 50.00%                                    |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 11       | Labrador - Other                                | 100%                  | 100%                       |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
|          | <b>Transmission Lines &amp; Terminals</b>       |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 12       | Lines                                           | 100%                  |                            | 25%                                       | 75%                          |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 13       | Lines - Customer Specific                       | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 14       | Terminal Stations                               | 100%                  |                            | 25%                                       | 75%                          |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               | 100%                                     |
| 15       | Terminal Stations - Custmr Specific             | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               | 100%                                     |
|          | <b>Rural Transmission Lines &amp; Terminals</b> |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 16       | Rural Lines                                     | 100%                  |                            |                                           | 100%                         |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 17       | Rural Terminal Stations                         | 100%                  |                            |                                           | 100%                         |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
|          | <b>Distribution</b>                             |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 18       | Substation Structures & Equipment               |                       |                            |                                           |                              | 100%                                     |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 19       | Land & Land Improvements - by Sub-function      |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 20       | Primary                                         | 85%                   |                            |                                           |                              |                                          | 78.3%                         | 21.7%             |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 21       | Secondary                                       | 15%                   |                            |                                           |                              |                                          |                               |                   |                                   |                    | 78.3%                            | 21.7%              |                             |                           |                                |                               |                                          |
| 22       | Land & Land Improvements                        | 100%                  |                            |                                           |                              |                                          | 66.6%                         | 18.4%             |                                   |                    | 11.7%                            | 3.3%               |                             |                           |                                |                               |                                          |
| 23       | Poles - by Subfunction                          |                       |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 24       | Primary                                         | 83%                   |                            |                                           |                              |                                          | 78.3%                         | 21.7%             |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 25       | Secondary                                       | 16%                   |                            |                                           |                              |                                          |                               |                   |                                   |                    | 78.3%                            | 21.7%              |                             |                           |                                |                               |                                          |
| 26       | Services                                        | 1%                    |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    | 100.0%                      |                           |                                |                               |                                          |
| 27       | Poles                                           | 100%                  |                            |                                           |                              |                                          | 65.0%                         | 18.0%             |                                   |                    | 12.5%                            | 3.5%               | 1.0%                        |                           |                                |                               |                                          |
| 28       | Primary Conductor & Equip                       | 100%                  |                            |                                           |                              |                                          | 78.3%                         | 21.7%             |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 29       | Submarine Conductor                             | 100%                  |                            |                                           |                              |                                          | 100.0%                        |                   |                                   |                    |                                  |                    |                             |                           |                                |                               |                                          |
| 30       | Transformers                                    | 100%                  |                            |                                           |                              |                                          |                               |                   | 26.6%                             | 73.4%              |                                  |                    |                             |                           |                                |                               |                                          |
| 31       | Secondary Conductor & Equip                     | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    | 78.3%                            | 21.7%              |                             |                           |                                |                               |                                          |
| 32       | Services                                        | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    | 100.0%                      |                           |                                |                               |                                          |
| 33       | Meters                                          | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             | 100.0%                    |                                |                               |                                          |
| 34       | Street Lighting                                 | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           | 100.0%                         |                               |                                          |
| 35       | Customer Accounting                             | 100%                  |                            |                                           |                              |                                          |                               |                   |                                   |                    |                                  |                    |                             |                           |                                | 100.0%                        |                                          |
| 36       | Distribution excluding Meters                   | 100%                  | 1.33%                      |                                           |                              | 7.47%                                    | 54.38%                        | 12.55%            | 1.95%                             | 5.39%              | 8.64%                            | 2.39%              | 4.93%                       |                           | 0.95%                          |                               |                                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2001 Actual Cost of Service - Interim Methodology**  
**Total System**  
**Power Purchases**

| Line No. | 1                              | 2                 | 3                      | 4                                     | 5                        |                          |
|----------|--------------------------------|-------------------|------------------------|---------------------------------------|--------------------------|--------------------------|
|          |                                | Total (\$)        | Production Demand (\$) | Production & Transmission Energy (\$) | Transmission Demand (\$) | Distribution Demand (\$) |
|          | <b>Island Interconnected</b>   |                   |                        |                                       |                          |                          |
| 1        | DLP Secondary                  | 295               |                        | 295                                   |                          |                          |
| 2        | AP Secondary                   | 464,957           |                        | 464,957                               |                          |                          |
| 3        | Wheeling                       | 436,792           |                        | 436,792                               |                          |                          |
| 4        | Interruptible Demand           | 1,297,200         | 1,297,200              | -                                     |                          |                          |
| 5        | Interruptible Energy           |                   |                        |                                       |                          |                          |
| 6        | Non-utility Generation         | 10,410,313        | 4,764,459              | 5,645,854                             |                          |                          |
| 7        | <b>Subtotal</b>                | <b>12,609,557</b> | <b>6,061,659</b>       | <b>6,547,898</b>                      | <b>-</b>                 | <b>-</b>                 |
|          | <b>Labrador Interconnected</b> |                   |                        |                                       |                          |                          |
| 8        | CF(L)Co                        | 2,299,392         | 1,149,696              | 1,149,696                             |                          |                          |
| 9        | Other                          | 35,412            |                        |                                       |                          | 35,412                   |
| 10       | <b>Subtotal</b>                | <b>2,334,804</b>  | <b>1,149,696</b>       | <b>1,149,696</b>                      | <b>-</b>                 | <b>35,412</b>            |
|          | <b>Isolated Systems</b>        |                   |                        |                                       |                          |                          |
| 11       | Mary's Harbour                 | 17,911            |                        | 17,911                                |                          |                          |
| 12       | L'Anse au Loup                 | 638,328           |                        | 638,328                               |                          |                          |
| 13       | <b>Subtotal</b>                | <b>656,238</b>    | <b>-</b>               | <b>656,238</b>                        | <b>-</b>                 | <b>-</b>                 |
| 14       | <b>Total</b>                   | <b>15,600,599</b> | <b>7,211,355</b>       | <b>8,353,832</b>                      | <b>-</b>                 | <b>35,412</b>            |

Basis of Functional Classification

Production - Energy (Same as RSP Sec Load Var)  
Production - Energy (Secondary)  
Transmission - Energy  
Production - Demand, Energy ratios Sch. 4.3 L.8  
Production - Energy  
Analysis of Contract

Production - Demand, Energy ratios Sch. 4.3 L.10

Production - Energy  
Production - Energy

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
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**2002 Actual Cost of Service**  
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Revenue Requirement**

|          | 1                                               | 2                 | 3                          | 4                    | 5                      | 6                   | 7                            | 8                     |
|----------|-------------------------------------------------|-------------------|----------------------------|----------------------|------------------------|---------------------|------------------------------|-----------------------|
| Line No. | Description                                     | Total Amount (\$) | Island Interconnected (\$) | Island Isolated (\$) | Labrador Isolated (\$) | L'Anse au Loup (\$) | Labrador Interconnected (\$) | Basis of Proration    |
|          | Revenue Requirement Expenses                    |                   |                            |                      |                        |                     |                              |                       |
| 1        | Operating, Maintenance and Admin.               | 91,428,712        | 70,141,750                 | 5,080,799            | 10,002,543             | 864,189             | 5,339,430                    | Detailed Analysis     |
| 2        | Fuels - No. 6 Fuel                              | 113,136,174       | 113,136,174                | -                    | -                      | -                   | -                            | Detailed Analysis     |
| 3        | Fuels - Diesel                                  | 6,766,197         | 58,752                     | 1,402,899            | 5,230,393              | 72,276              | 1,878                        | Detailed Analysis     |
| 4        | Fuels - Gas Turbine                             | 153,229           | 84,804                     | -                    | -                      | -                   | 68,425                       |                       |
| 5        | Power Purchases -CF(L)Co                        | 2,385,311         | -                          | -                    | -                      | -                   | 2,385,311                    | Detailed Analysis     |
| 6        | Power Purchases - Other                         | 13,495,750        | 12,553,533                 | -                    | 24,960                 | 731,346             | 185,912                      | Detailed Analysis     |
| 7        | Depreciation                                    | 31,100,390        | 25,329,207                 | 868,021              | 1,881,139              | 389,121             | 2,632,902                    | Detailed Analysis     |
|          | Expense Credits:                                |                   |                            |                      |                        |                     |                              |                       |
| 8        | Sundry                                          | (518,513)         | (397,790)                  | (28,814)             | (56,727)               | (4,901)             | (30,281)                     | Total O&M Expenses    |
| 9        | Building Rental Income                          | (15,049)          | (6,340)                    | -                    | -                      | -                   | (8,709)                      | Detailed Analysis     |
| 10       | Tax Refunds                                     | -                 | -                          | -                    | -                      | -                   | -                            | Total O&M Expenses    |
| 11       | Suppliers' Discounts                            | (72,027)          | (55,257)                   | (4,003)              | (7,880)                | (681)               | (4,206)                      | Total O&M Expenses    |
| 12       | Pole Attachments                                | (901,625)         | (634,060)                  | (19,021)             | (63,046)               | (39,753)            | (145,745)                    | Detailed Analysis     |
| 13       | Secondary Energy Revenues                       | (2,729)           | (2,729)                    | -                    | -                      | -                   | -                            | Island Interconnected |
| 14       | Wheeling Revenues                               | (414,522)         | (414,522)                  | -                    | -                      | -                   | -                            | Island Interconnected |
| 15       | Misc Customer Revenue and Meter Testing Revenue | (81,584)          | (50,992)                   | (2,404)              | (5,716)                | (2,187)             | (20,284)                     | Customers             |
| 16       | Application Fees                                | (31,630)          | (19,440)                   | (660)                | (4,446)                | (854)               | (6,230)                      | Detailed Analysis     |
| 17       | Total Expense Credits                           | (2,037,679)       | (1,581,130)                | (54,902)             | (137,815)              | (48,376)            | (215,455)                    |                       |
| 18       | Subtotal Expenses                               | 256,428,083       | 219,723,089                | 7,296,816            | 17,001,220             | 2,008,555           | 10,398,402                   |                       |
| 19       | Disposal Gain/Loss                              | 2,769,458         | 1,726,802                  | 929,479              | 35,375                 | -                   | 77,802                       | Detailed Analysis     |
| 20       | Subtotal Rev Req't Excl Return                  | 259,197,541       | 221,449,891                | 8,226,295            | 17,036,595             | 2,008,555           | 10,476,204                   |                       |
| 21       | Return on Debt                                  | 90,974,541        | 84,500,802                 | 862,867              | 1,795,049              | 377,394             | 3,438,429                    | Rate Base             |
| 22       | Return on Equity                                | 7,128,698         | 6,812,370                  | -                    | -                      | -                   | 316,328                      | Rate Base             |
| 23       | Total Revenue Requirement                       | 357,300,781       | 312,763,063                | 9,089,162            | 18,831,644             | 2,385,949           | 14,230,962                   |                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Return on Rate Base**

| Line No                                   | 1                                                               | 2                     | 3                              | 4                        | 5                          | 6                       | 7                                | 8                                                |
|-------------------------------------------|-----------------------------------------------------------------|-----------------------|--------------------------------|--------------------------|----------------------------|-------------------------|----------------------------------|--------------------------------------------------|
|                                           |                                                                 | Total<br>\$           | Island<br>Interconnected<br>\$ | Island<br>Isolated<br>\$ | Labrador<br>Isolated<br>\$ | L'Anse au<br>Loup<br>\$ | Labrador<br>Interconnected<br>\$ | Basis of Proration                               |
| <b>Rate Base:</b>                         |                                                                 |                       |                                |                          |                            |                         |                                  |                                                  |
| 1                                         | Average Net Book Value                                          | 1,229,385,071         | 1,143,164,665                  | 11,646,114               | 22,630,662                 | 5,099,161               | 46,844,469                       | Schedule 2.3                                     |
| 2                                         | Cash Working Capital                                            | 3,579,000             | 3,327,994                      | 33,904                   | 65,883                     | 14,845                  | 136,374                          | Prorated on Average Net Book Value - L. 1        |
| 3                                         | Fuel Inventory - No. 6 Fuel                                     | 14,775,997            | 14,775,997                     | -                        | -                          | -                       | -                                | Specifically Assigned - Holyrood                 |
| 4                                         | Fuel Inventory - Diesel                                         | 2,271,503             | 52,714                         | 164,597                  | 1,987,144                  | 33,240                  | 33,808                           | Detailed Fuel Analysis                           |
| 5                                         | Fuel Inventory - Gas Turbine                                    | 695,178               | 644,683                        | -                        | -                          | -                       | 50,495                           | Detailed Fuel Analysis                           |
| 6                                         | Inventory/Supplies                                              | 19,966,000            | 18,197,949                     | 208,335                  | 501,521                    | 123,991                 | 934,204                          | Prorated on Total Plant in Service, Schedule 2.2 |
| 7                                         | Deferred Charges: Foreign Exchange Loss<br>and Regulatory Costs | 85,501,687            | 79,505,201                     | 809,968                  | 1,573,925                  | 354,638                 | 3,257,955                        | Prorated on Average Net Book Value - L. 1        |
| 8                                         | <b>Total Rate Base</b>                                          | <b>1,356,174,436</b>  | <b>1,259,669,203</b>           | <b>12,862,918</b>        | <b>26,759,134</b>          | <b>5,625,876</b>        | <b>51,257,306</b>                |                                                  |
| 9                                         | Less: Rural Portion                                             | (201,052,565)         | (155,804,637)                  | (12,862,918)             | (26,759,134)               | (5,625,876)             | -                                | Schedule 2.6, L. 9                               |
| 10                                        | <b>Rate Base Available for Equity Return</b>                    | <b>1,155,121,871</b>  | <b>1,103,864,565</b>           | <b>-</b>                 | <b>-</b>                   | <b>-</b>                | <b>51,257,306</b>                |                                                  |
| <b>Corporate Targets:</b>                 |                                                                 |                       |                                |                          |                            |                         |                                  |                                                  |
| 11                                        | Capital Structure: Percent of Debt                              | 82.41% <sup>(1)</sup> |                                |                          |                            |                         |                                  |                                                  |
| 12                                        | Return                                                          | 8.140%                |                                |                          |                            |                         |                                  |                                                  |
| 13                                        | Weighted Average Return: Debt                                   | <u>6.708%</u>         |                                |                          |                            |                         |                                  |                                                  |
| 14                                        | Capital Structure: Percent of Equity                            | 15.97% <sup>(1)</sup> |                                |                          |                            |                         |                                  |                                                  |
| 15                                        | Return                                                          | 3.864%                |                                |                          |                            |                         |                                  |                                                  |
| 16                                        | Weighted Average Return: Equity                                 | <u>0.617%</u>         |                                |                          |                            |                         |                                  |                                                  |
| 17                                        | Weighted Average Cost of Capital                                | <u>7.325%</u>         |                                |                          |                            |                         |                                  |                                                  |
| <b>Return on Rate Base by System (%):</b> |                                                                 |                       |                                |                          |                            |                         |                                  |                                                  |
| 18                                        | Return on Rate Base - Debt Component                            | -                     | 6.708%                         | 6.708%                   | 6.708%                     | 6.708%                  | 6.708%                           |                                                  |
| 19                                        | Return on Rate Base - Equity Component                          | -                     | 0.617%                         | -                        | -                          | -                       | 0.617%                           |                                                  |
| <b>Return on Rate Base (\$):</b>          |                                                                 |                       |                                |                          |                            |                         |                                  |                                                  |
| 20                                        | Return on Debt                                                  | 90,974,541            | 84,500,802                     | 862,867                  | 1,795,049                  | 377,394                 | 3,438,429                        | Schedule 2.6, L.11                               |
| 21                                        | Return on Equity                                                | 7,128,698             | 6,812,370                      | -                        | -                          | -                       | 316,328                          | Schedule 2.6, L.12                               |
| 22                                        | <b>Return on Rate Base (\$)</b>                                 | <b>98,103,239</b>     | <b>91,313,172</b>              | <b>862,867</b>           | <b>1,795,049</b>           | <b>377,394</b>          | <b>3,754,758</b>                 | Schedule 2.6, L.13                               |
| <b>Return on Total Rate Base (%):</b>     |                                                                 |                       |                                |                          |                            |                         |                                  |                                                  |
| 23                                        | Return on Rate Base - Debt Component                            | 6.708%                | 6.708%                         | 6.708%                   | 6.708%                     | 6.708%                  | 6.708%                           | L. 20 divided by L.8                             |
| 24                                        | Return on Rate Base - Equity Component                          | 0.526%                | 0.541%                         | -                        | -                          | -                       | 0.617%                           | L. 21 divided by L.8                             |
| 25                                        | <b>Return on Rate Base (%)</b>                                  | <b>7.234%</b>         | <b>7.249%</b>                  | <b>6.708%</b>            | <b>6.708%</b>              | <b>6.708%</b>           | <b>7.325%</b>                    | L. 22 divided by L.8                             |

<sup>(1)</sup> Debt and equity weightings reflect a 1.62% component for Employee Future Benefits at 0% cost.

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                   | 1<br>Rate Class               | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credits<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|----------------------------|-------------------------------|-----------------------|---------------------------------------------------------------------------------|---------------------------------|----------------------|------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Total System</b>        |                               |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 1                          | Newfoundland Power            | 245,524,223           | 211,067,007                                                                     | (105,005)                       | 39,332,457           | 250,294,459                                                                        | 1.16                                             |
| 2                          | Island Industrial             | 55,855,978            | 49,348,679                                                                      | 131,047                         | -                    | 49,479,727                                                                         | 1.13                                             |
| 3                          | Labrador Industrial           | 3,077,098             | 3,077,098                                                                       | -                               | -                    | 3,077,098                                                                          | 1.00                                             |
| 4                          | CFB - Goose Bay Secondary     | 2,917,874             | 129,919                                                                         | 2,725,693                       | 62,262               | 2,917,874                                                                          | 22.46                                            |
| 5                          | Rural Labrador Interconnected | 11,975,342            | 11,023,945                                                                      | (2,725,693)                     | 5,283,105            | 13,581,357                                                                         | 1.09                                             |
| <b>Rural Deficit Areas</b> |                               |                       |                                                                                 |                                 |                      |                                                                                    |                                                  |
| 6                          | Island Interconnected         | 31,072,394            | 52,347,377                                                                      | (26,043)                        | (21,248,940)         | 31,072,394                                                                         | 0.59                                             |
| 7                          | Island Isolated               | 1,313,476             | 9,089,162                                                                       | -                               | (7,775,686)          | 1,313,476                                                                          | 0.14                                             |
| 8                          | Labrador Isolated             | 4,342,919             | 18,831,644                                                                      | -                               | (14,488,726)         | 4,342,919                                                                          | 0.23                                             |
| 9                          | L'Anse au Loup                | 1,221,478             | 2,385,949                                                                       | -                               | (1,164,471)          | 1,221,478                                                                          | 0.51                                             |
| 10                         | <b>Subtotal</b>               | <b>37,950,266</b>     | <b>82,654,132</b>                                                               | <b>(26,043)</b>                 | <b>(44,677,824)</b>  | <b>37,950,266</b>                                                                  | <b>0.46</b>                                      |
| 11                         | <b>Total</b>                  | <b>357,300,781</b>    | <b>357,300,781</b>                                                              | <b>-</b>                        | <b>-</b>             | <b>357,300,781</b>                                                                 | <b>1.00</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                     | 1<br>Rate Class                    | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>Allocation<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|------------------------------|------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Island Interconnected</b> |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                            | Newfoundland Power                 | 210,913,025           | 211,067,007                                                                     | (105,005)                      |                                    |                                                                                                   |                                                  |
| 2                            | NLP RSP Activity                   | 34,611,198            |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 3                            | <b>Subtotal Newfoundland Power</b> | <b>245,524,223</b>    | <b>211,067,007</b>                                                              | <b>(105,005)</b>               | <b>39,332,457</b>                  | <b>250,294,459</b>                                                                                | <b>1.16</b>                                      |
| 4                            | Industrial - Firm                  | 43,470,598            | 48,987,674                                                                      | (24,371)                       |                                    | 48,963,303                                                                                        |                                                  |
| 5                            | Industrial - Non-Firm              | 516,424               | 361,006                                                                         | 155,418                        |                                    | 516,424                                                                                           |                                                  |
| 6                            | Industrial RSP Activity            | 11,868,956            |                                                                                 |                                |                                    | -                                                                                                 |                                                  |
| 7                            | <b>Subtotal Industrial</b>         | <b>55,855,978</b>     | <b>49,348,679</b>                                                               | <b>131,047</b>                 | <b>-</b>                           | <b>49,479,727</b>                                                                                 | <b>1.13</b>                                      |
| <b>Rural</b>                 |                                    |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 8                            | 1.1 Domestic                       | 9,768,903             | 18,784,272                                                                      | (9,345)                        | (9,006,024)                        | 9,768,903                                                                                         | 0.52                                             |
| 9                            | 1.12 Domestic All Electric         | 8,755,990             | 19,208,515                                                                      | (9,556)                        | (10,442,968)                       | 8,755,990                                                                                         | 0.46                                             |
| 10                           | 1.3 Special                        | 10,812                | 36,524                                                                          | (18)                           | (25,694)                           | 10,812                                                                                            | 0.30                                             |
| 11                           | 2.1 General Service 0-10 kW        | 1,778,336             | 2,602,400                                                                       | (1,295)                        | (822,769)                          | 1,778,336                                                                                         | 0.68                                             |
| 12                           | 2.2 General Service 10-100 kW      | 5,092,151             | 6,242,736                                                                       | (3,106)                        | (1,147,479)                        | 5,092,151                                                                                         | 0.82                                             |
| 13                           | 2.3 General Service 110-1,000 kVa  | 3,490,776             | 3,046,424                                                                       | (1,516)                        | 445,868                            | 3,490,776                                                                                         | 1.15                                             |
| 14                           | 2.4 General Service Over 1,000 kVa | 1,431,905             | 1,519,461                                                                       | (756)                          | (86,800)                           | 1,431,905                                                                                         | 0.94                                             |
| 15                           | 4.1 Street and Area Lighting       | 743,520               | 907,045                                                                         | (451)                          | (163,074)                          | 743,520                                                                                           | 0.82                                             |
| 16                           | <b>Subtotal Rural</b>              | <b>31,072,394</b>     | <b>52,347,377</b>                                                               | <b>(26,043)</b>                | <b>(21,248,940)</b>                | <b>31,072,394</b>                                                                                 | <b>0.59</b>                                      |
| 17                           | <b>Total Island Interconnected</b> | <b>332,452,595</b>    | <b>312,763,063</b>                                                              | <b>-</b>                       | <b>18,083,516</b>                  | <b>330,846,580</b>                                                                                | <b>1.06</b>                                      |

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit

Island Industrial Non-Firm Revenues, Ln 5, Col 2

Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3

Credit to be allocated to Firm Customers

|                |
|----------------|
| 516,424        |
| (361,006)      |
| <u>155,418</u> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line<br>No.            | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Island Isolated</b> |                                     |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1                      | 1.2 Domestic Diesel                 | 723,648               | 6,624,180                                                                       |                                | (5,900,532)          | 723,648                                                                                           | 0.11                                             |
| 2                      | 1.2G Government Domestic Diesel     | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 3                      | 1.23 Churches, Schools & Com Halls  | 68,120                | 376,606                                                                         |                                | (308,486)            | 68,120                                                                                            | 0.18                                             |
| 4                      | 2.2 GS 10-100 kW                    | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 5                      | 2.3 GS 110-1,000 kVa                | 77,541                | 484,694                                                                         |                                | (407,153)            | 77,541                                                                                            | 0.16                                             |
| 6                      | 2.5 GS Diesel                       | 407,564               | 1,466,561                                                                       |                                | (1,058,996)          | 407,564                                                                                           | 0.28                                             |
| 7                      | 2.5G Gov't General Service Diesel   | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 8                      | 4.1 Street and Area Lighting        | 36,602                | 137,122                                                                         |                                | (100,520)            | 36,602                                                                                            | 0.27                                             |
| 9                      | 4.1G Gov't Street and Area Lighting | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 10                     | <b>Total</b>                        | <b>1,313,476</b>      | <b>9,089,162</b>                                                                |                                | <b>(7,775,686)</b>   | <b>1,313,476</b>                                                                                  | <b>0.14</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                 | 1<br>Rate Class                     | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|--------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Labrador Isolated</b> |                                     |                       |                                                                                 |                                |                      |                                                                                                   |                                                  |
| 1                        | 1.2 Domestic Diesel                 | 2,024,114             | 11,802,464                                                                      |                                | (9,778,350)          | 2,024,114                                                                                         | 0.17                                             |
| 2                        | 1.2G Government Domestic Diesel     | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 3                        | 1.23 Churches, Schools & Com Halls  | 215,453               | 814,014                                                                         |                                | (598,561)            | 215,453                                                                                           | 0.26                                             |
| 4                        | 2.2 GS 10-100 kW                    | 38,125                | 150,824                                                                         |                                | (112,699)            | 38,125                                                                                            | 0.25                                             |
| 5                        | 2.3 GS 110-1,000 kVa                | 177,307               | 670,608                                                                         |                                | (493,300)            | 177,307                                                                                           | 0.26                                             |
| 6                        | 2.4 General Service Over 1,000 kVa  | 162,863               | 790,193                                                                         |                                | (627,330)            | 162,863                                                                                           | 0.21                                             |
| 7                        | 2.5 GS Diesel                       | 1,655,219             | 4,413,992                                                                       |                                | (2,758,774)          | 1,655,219                                                                                         | 0.37                                             |
| 8                        | 2.5G Gov't General Service Diesel   | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 9                        | 4.1 Street and Area Lighting        | 69,838                | 189,550                                                                         |                                | (119,712)            | 69,838                                                                                            | 0.37                                             |
| 10                       | 4.1G Gov't Street and Area Lighting | 0                     | 0                                                                               |                                | 0                    | 0                                                                                                 | 0.00                                             |
| 11                       | <b>Total</b>                        | <b>4,342,919</b>      | <b>18,831,644</b>                                                               |                                | <b>(14,488,726)</b>  | <b>4,342,919</b>                                                                                  | <b>0.23</b>                                      |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**L'Anse au Loup**  
**Comparison of Revenue & Allocated Revenue Requirement**

|          | 1                                 | 2         | 3                                                                  | 4                 | 5           | 6                                                                                    | 7                                           |
|----------|-----------------------------------|-----------|--------------------------------------------------------------------|-------------------|-------------|--------------------------------------------------------------------------------------|---------------------------------------------|
| Line No. | Rate Class                        | Revenues  | Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation | Revenue<br>Credit | Deficit     | Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5) | Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|          |                                   | (\$)      | (\$)                                                               | (\$)              | (\$)        | (\$)                                                                                 |                                             |
|          | L'Anse au Loup                    |           |                                                                    |                   |             |                                                                                      |                                             |
| 1        | 1.1 Domestic                      | 678,105   | 1,576,988                                                          |                   | (898,883)   | 678,105                                                                              | 0.43                                        |
| 2        | 1.12 Domestic All Electric        | 26,343    | 69,264                                                             |                   | (42,921)    | 26,343                                                                               | 0.38                                        |
| 3        | 2.1 General Service 0-10 kW       | 127,569   | 228,715                                                            |                   | (101,145)   | 127,569                                                                              | 0.56                                        |
| 4        | 2.2 General Service 10-100 kW     | 291,077   | 416,160                                                            |                   | (125,083)   | 291,077                                                                              | 0.70                                        |
| 5        | 2.3 General Service 110-1,000 kVa | 66,672    | 57,230                                                             |                   | 9,442       | 66,672                                                                               | 1.16                                        |
| 6        | 4.1 Street and Area Lighting      | 31,712    | 37,593                                                             |                   | (5,882)     | 31,712                                                                               | 0.84                                        |
| 7        | Total L'Anse Au Loup              | 1,221,478 | 2,385,949                                                          |                   | (1,164,471) | 1,221,478                                                                            | 0.51                                        |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

| Line No.                       | 1<br>Rate Class                      | 2<br>Revenues<br>(\$) | 3<br>Cost of Service Before<br>Deficit and Revenue<br>Credit Allocation<br>(\$) | 4<br>Revenue<br>Credit<br>(\$) | 5<br>Deficit<br>Allocation<br>(\$) | 6<br>Revenue Requirement<br>After Deficit and Revenue<br>Credit Allocation<br>(Col.3+4+5)<br>(\$) | 7<br>Revenue<br>to Cost<br>Coverage<br>(Col.2/3) |
|--------------------------------|--------------------------------------|-----------------------|---------------------------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Labrador Interconnected</b> |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 1                              | Industrial IOCC Firm                 | 3,070,429             | 3,070,429                                                                       | -                              | -                                  | 3,070,429                                                                                         | 1.00                                             |
| 2                              | Industrial IOCC Non-Firm             | 6,669                 | 6,669                                                                           | -                              | -                                  | 6,669                                                                                             | 1.00                                             |
| 3                              | <b>Subtotal Industrial</b>           | <b>3,077,098</b>      | <b>3,077,098</b>                                                                | <b>-</b>                       | <b>-</b>                           | <b>3,077,098</b>                                                                                  | <b>1.00</b>                                      |
| 4                              | <b>CFB - Goose Bay Secondary</b>     | 2,917,874             | 129,919                                                                         | 2,725,693                      | 62,262                             | 2,917,874                                                                                         | 22.46                                            |
| <b>Rural</b>                   |                                      |                       |                                                                                 |                                |                                    |                                                                                                   |                                                  |
| 5                              | 1.1 Domestic                         | 193,247               | 352,974                                                                         | (87,273)                       | 169,159                            | 434,859                                                                                           | 0.55                                             |
| 6                              | 1.1A Domestic All Electric           | 5,591,699             | 8,063,846                                                                       | (1,993,802)                    | 3,864,509                          | 9,934,553                                                                                         | 0.69                                             |
| 7                              | 2.1 General Service 0-10 kW          | 194,153               | 220,680                                                                         | (54,564)                       | 105,759                            | 271,876                                                                                           | 0.88                                             |
| 8                              | 2.2 General Service 10-100 kW        | 2,004,091             | 1,002,314                                                                       | (247,824)                      | 480,348                            | 1,234,838                                                                                         | 2.00                                             |
| 9                              | 2.3 General Service 110-1,000 kVa    | 2,318,335             | 824,858                                                                         | (203,948)                      | 395,304                            | 1,016,215                                                                                         | 2.81                                             |
| 10                             | 2.4 General Service Over 1,000 kVa   | 1,517,950             | 400,620                                                                         | (99,054)                       | 191,993                            | 493,558                                                                                           | 3.79                                             |
| 11                             | 4.1 Street and Area Lighting         | 155,865               | 158,653                                                                         | (39,227)                       | 76,033                             | 195,459                                                                                           | 0.98                                             |
| 12                             | <b>Subtotal Rural</b>                | <b>11,975,342</b>     | <b>11,023,945</b>                                                               | <b>(2,725,693)</b>             | <b>5,283,105</b>                   | <b>13,581,357</b>                                                                                 | <b>1.09</b>                                      |
| 13                             | <b>Total Labrador Interconnected</b> | <b>17,970,314</b>     | <b>14,230,962</b>                                                               | <b>-</b>                       | <b>5,345,367</b>                   | <b>19,576,329</b>                                                                                 | <b>1.26</b>                                      |

Note1:

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2

2,917,874

CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3

(129,919)

CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5

(62,262)

Credit to be allocated to Firm Regulated Customers

2,725,693

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Rural Deficit Allocation**

|                                              | 1                                       | 2                                            | 3                 | 4                  | 5                      | 6                    |
|----------------------------------------------|-----------------------------------------|----------------------------------------------|-------------------|--------------------|------------------------|----------------------|
|                                              |                                         |                                              |                   |                    |                        |                      |
|                                              |                                         | Before Deficit and Revenue Credit Allocation |                   |                    |                        |                      |
| Line No.                                     | Rate Class                              | Allocated Revenue Req't (\$)                 | Demand (\$)       | Energy (\$)        | Customer (\$)          | Source               |
| CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS: |                                         |                                              |                   |                    |                        |                      |
| 1                                            | Newfoundland Power                      | 211,067,007                                  | 79,026,676        | 130,022,865        | 2,017,466              | Schedule 1.3.1, p. 1 |
| 2                                            | CFB - Goose Bay Secondary               | 129,919                                      | -                 | 129,245            | 673                    | Schedule 1.3.1, p. 5 |
| 3                                            | Rural Labrador Interconnected           | 11,023,945                                   | 7,371,180         | 836,743            | 2,816,023              | Schedule 1.3.1, p. 5 |
| 4                                            | <b>Total</b>                            | <b>222,220,871</b>                           | <b>86,397,856</b> | <b>130,988,853</b> | <b>4,834,162</b>       |                      |
| 5                                            | Deficit Classified                      | 44,677,824                                   | 17,370,412        | 26,335,496         | 971,915                | Prorated on Line 4   |
| UNIT COSTS OF DEFICIT:                       |                                         |                                              |                   |                    |                        |                      |
|                                              |                                         |                                              | CP kW             | MWH                | Customers *            |                      |
| Island Interconnected:                       |                                         |                                              |                   |                    |                        |                      |
| 6                                            | Newfoundland Power                      |                                              | 1,085,031         | 4,692,154          | 5,369                  |                      |
| 7                                            | <b>Subtotal Island Interconnected</b>   |                                              | <b>1,085,031</b>  | <b>4,692,154</b>   | <b>5,369</b>           |                      |
| Labrador Interconnected:                     |                                         |                                              |                   |                    |                        |                      |
| 8                                            | CFB - Goose Bay Secondary               |                                              | 0                 | 85,133             | 2                      |                      |
| 9                                            | Rural Labrador Interconnected           |                                              | 109,305           | 551,154            | 9,080                  |                      |
| 10                                           | <b>Subtotal Labrador Interconnected</b> |                                              | <b>109,305</b>    | <b>636,286</b>     | <b>9,082</b>           |                      |
| 11                                           | <b>Total</b>                            |                                              | <b>1,194,336</b>  | <b>5,328,440</b>   | <b>14,451</b>          |                      |
| 12                                           | Deficit Unit Costs                      |                                              | \$14.54<br>\$/KW  | \$4.94<br>\$/MWH   | \$67.26<br>\$/Customer | Line 5 / Line 11     |

\* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected: \$375.77  
Labrador Interconnected: \$310.14

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Rural Deficit Allocation**

| Line<br>No. | 1          | 2                                  | 3              | 4              | 5                | 6      |
|-------------|------------|------------------------------------|----------------|----------------|------------------|--------|
|             |            | Deficit Allocation                 |                |                |                  |        |
|             | Rate Class | Allocated<br>Revenue Req't<br>(\$) | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) | Source |

**ALLOCATION OF DEFICIT:**

|    |                         |                   |                   |                   |                |                   |
|----|-------------------------|-------------------|-------------------|-------------------|----------------|-------------------|
| 13 | Island Interconnected   | 39,332,457        | 15,780,675        | 23,190,689        | 361,092        | Line 7 x Line 12  |
| 14 | Labrador Interconnected | 5,345,367         | 1,589,737         | 3,144,807         | 610,823        | Line 10 x Line 12 |
| 15 | <b>Allocated Totals</b> | <b>44,677,824</b> | <b>17,370,412</b> | <b>26,335,496</b> | <b>971,915</b> |                   |

**CUSTOMER DEFICIT ALLOCATION:**

|                          |                                  |                   |
|--------------------------|----------------------------------|-------------------|
| Island Interconnected:   |                                  |                   |
| 16                       | Newfoundland Power               | 39,332,457        |
| 17                       | Sub-Total Island Interconnected  | 39,332,457        |
| Labrador Interconnected: |                                  |                   |
| 18                       | CFB - Goose Bay Secondary        | 62,262            |
| 19                       | Rural Labrador Interconnected    | 5,283,105         |
| 20                       | Subtotal Labrador Interconnected | 5,345,367         |
| 21                       | <b>Total</b>                     | <b>44,677,824</b> |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                         | 1                                            | 2                      | 3                  | 4                           | 5                     | 6                                           | 7                      | 8                  | 9                           | 10                    | 11 |
|-------------|------------------------------------|----------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|----|
|             |                                    | Before Deficit and Revenue Credit Allocation |                        |                    |                             |                       | After Deficit and Revenue Credit Allocation |                        |                    |                             |                       |    |
|             |                                    | Demand                                       |                        | Non-Demand         |                             |                       | Demand                                      |                        | Non-Demand         |                             |                       |    |
|             |                                    | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |    |
|             | <b>Island Interconnected</b>       |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 1           | Newfoundland Power                 | -                                            | 0.01722                | 0.02834            | 0.04556                     | 168,122.16            | -                                           | 0.02042                | 0.03360            | 0.05402                     | 199,368.18            |    |
| 2           | Industrial - Firm                  | 4.91                                         | -                      | 0.02834            | -                           | 10,367.86             | 4.91                                        | -                      | 0.02832            | -                           | 10,362.70             |    |
| 3           | Industrial - Non-Firm              | -                                            | -                      | 0.02834            | -                           | -                     | -                                           | -                      | 0.04053            | -                           | -                     |    |
|             | Rural                              |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 4           | 1.1 Domestic                       | -                                            | 0.09972                | 0.03147            | 0.13119                     | 29.60                 | -                                           | -                      | -                  | -                           | -                     |    |
| 5           | 1.12 Domestic All Electric         | -                                            | 0.12073                | 0.03147            | 0.15220                     | 29.60                 | -                                           | -                      | -                  | -                           | -                     |    |
| 6           | 1.3 Special                        | -                                            | 0.11772                | 0.03147            | 0.14919                     | 29.60                 | -                                           | -                      | -                  | -                           | -                     |    |
| 7           | 2.1 General Service 0-10 kW        | -                                            | 0.08986                | 0.03147            | 0.12133                     | 32.71                 | -                                           | -                      | -                  | -                           | -                     |    |
| 8           | 2.2 General Service 10-100 kW      | 18.93                                        | -                      | 0.03147            | -                           | 51.61                 | -                                           | -                      | -                  | -                           | -                     |    |
| 9           | 2.3 General Service 110-1,000 kVa  | 9.71                                         | -                      | 0.03132            | -                           | 50.97                 | -                                           | -                      | -                  | -                           | -                     |    |
| 10          | 2.4 General Service Over 1,000 kVa | 11.74                                        | -                      | 0.03091            | -                           | 45.15                 | -                                           | -                      | -                  | -                           | -                     |    |
| 11          | 4.1 Street and Area Lighting       | -                                            | 0.10516                | 0.03147            | 0.13663                     | 42.19                 | -                                           | -                      | -                  | -                           | -                     |    |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Unit Demand, Energy & Customer Amounts

| Line<br>No. | Rate Class                          | 1                                            | 2                      | 3                  | 4                           | 5                     | 6                                           | 7                      | 8                  | 9                           | 10                    | 11 |
|-------------|-------------------------------------|----------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|----|
|             |                                     | Before Deficit and Revenue Credit Allocation |                        |                    |                             |                       | After Deficit and Revenue Credit Allocation |                        |                    |                             |                       |    |
|             |                                     | Demand                                       |                        | Non-Demand         |                             |                       | Demand                                      |                        | Non-Demand         |                             |                       |    |
|             |                                     | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |    |
|             | <b>Island Isolated</b>              |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 1           | 1.2 Domestic Diesel                 | -                                            | 0.54833                | 0.35780            | 0.90613                     | 34.49                 | -                                           | -                      | -                  | -                           | -                     | -  |
| 2           | 1.2G Government Domestic Diesel     | -                                            | -                      | -                  | -                           | -                     | -                                           | -                      | -                  | -                           | -                     | -  |
| 3           | 1.23 Churches, Schools & Com Halls  | -                                            | 0.30109                | 0.35780            | 0.65889                     | 34.49                 | -                                           | -                      | -                  | -                           | -                     | -  |
| 4           | 2.2 GS 10-100 kW                    | -                                            | -                      | -                  | -                           | -                     | -                                           | -                      | -                  | -                           | -                     | -  |
| 5           | 2.3 GS 110-1,000 kVa                | 22.38                                        | -                      | 0.35780            | -                           | 73.26                 | -                                           | -                      | -                  | -                           | -                     | -  |
| 6           | 2.5 GS Diesel                       | -                                            | 0.39749                | 0.35780            | 0.75529                     | 39.61                 | -                                           | -                      | -                  | -                           | -                     | -  |
| 7           | 2.5G Gov't General Service Diesel   | -                                            | -                      | -                  | -                           | -                     | -                                           | -                      | -                  | -                           | -                     | -  |
| 8           | 4.1 Street and Area Lighting        | -                                            | 0.58269                | 0.35780            | 0.94049                     | 50.97                 | -                                           | -                      | -                  | -                           | -                     | -  |
| 9           | 4.1G Gov't Street and Area Lighting | -                                            | -                      | -                  | -                           | -                     | -                                           | -                      | -                  | -                           | -                     | -  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Isolated  
Unit Demand, Energy & Customer Amounts

|             | 1                                   | 2                                            | 3          | 4          | 5               | 6         | 7                                           | 8          | 9          | 10              | 11        |
|-------------|-------------------------------------|----------------------------------------------|------------|------------|-----------------|-----------|---------------------------------------------|------------|------------|-----------------|-----------|
| Line<br>No. | Rate Class                          | Before Deficit and Revenue Credit Allocation |            |            |                 |           | After Deficit and Revenue Credit Allocation |            |            |                 |           |
|             |                                     | Demand                                       |            | Non-Demand |                 |           | Demand                                      |            | Non-Demand |                 |           |
|             |                                     | Demand                                       | Non-Demand | Energy     | Demand & Energy | Customer  | Demand                                      | Non-Demand | Energy     | Demand & Energy | Customer  |
|             |                                     | (\$/kW)                                      | (\$/kWh)   | (\$/kWh)   | (\$/kWh)        | (\$/Bill) | (\$/kW)                                     | (\$/kWh)   | (\$/kWh)   | (\$/kWh)        | (\$/Bill) |
|             | Labrador Isolated                   |                                              |            |            |                 |           |                                             |            |            |                 |           |
| 1           | 1.2 Domestic Diesel                 | -                                            | 0.26412    | 0.30619    | 0.57031         | 31.14     | -                                           | -          | -          | -               | -         |
| 2           | 1.2G Government Domestic Diesel     | -                                            | -          | -          | -               | -         | -                                           | -          | -          | -               | -         |
| 3           | 1.23 Churches, Schools & Com Halls  | -                                            | 0.15057    | 0.30619    | 0.45676         | 31.14     | -                                           | -          | -          | -               | -         |
| 4           | 2.2 GS 10-100 kW                    | 7.23                                         | -          | 0.30619    | -               | 58.81     | -                                           | -          | -          | -               | -         |
| 5           | 2.3 GS 110-1,000 kVa                | 7.67                                         | -          | 0.30619    | -               | 60.76     | -                                           | -          | -          | -               | -         |
| 6           | 2.4 General Service Over 1,000 kVa  | 5.22                                         | -          | 0.30619    | -               | 60.76     | -                                           | -          | -          | -               | -         |
| 7           | 2.5 GS Diesel                       | -                                            | 0.17831    | 0.30619    | 0.48450         | 35.05     | -                                           | -          | -          | -               | -         |
| 8           | 2.5G Gov't General Service Diesel   | -                                            | -          | -          | -               | -         | -                                           | -          | -          | -               | -         |
| 9           | 4.1 Street and Area Lighting        | -                                            | 0.28049    | 0.30619    | 0.58667         | 53.28     | -                                           | -          | -          | -               | -         |
| 10          | 4.1G Gov't Street and Area Lighting | -                                            | -          | -          | -               | -         | -                                           | -          | -          | -               | -         |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Unit Demand, Energy & Customer Amounts

|          | 1                                 | 2                                            | 3                   | 4               | 5                        | 6                  | 7                                           | 8                   | 9               | 10                       | 11                 |
|----------|-----------------------------------|----------------------------------------------|---------------------|-----------------|--------------------------|--------------------|---------------------------------------------|---------------------|-----------------|--------------------------|--------------------|
|          | Rate Class                        | Before Deficit and Revenue Credit Allocation |                     |                 |                          |                    | After Deficit and Revenue Credit Allocation |                     |                 |                          |                    |
| Line No. |                                   | Demand                                       |                     |                 | Non-Demand               | Customer (\$/Bill) | Demand                                      |                     |                 | Non-Demand               | Customer (\$/Bill) |
|          |                                   | Demand (\$/kW)                               | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) |                    | Demand (\$/kW)                              | Non-Demand (\$/kWh) | Energy (\$/kWh) | Demand & Energy (\$/kWh) |                    |
|          | <b>L'Anse au Loup</b>             |                                              |                     |                 |                          |                    |                                             |                     |                 |                          |                    |
| 1        | 1.1 Domestic                      | -                                            | 0.10067             | 0.05977         | 0.16044                  | 33.78              | -                                           | -                   | -               | -                        | -                  |
| 2        | 1.12 Domestic All Electric        | -                                            | 0.12381             | 0.05977         | 0.18357                  | 33.78              | -                                           | -                   | -               | -                        | -                  |
| 3        | 2.1 General Service 0-10 kW       | -                                            | 0.09247             | 0.05977         | 0.15223                  | 36.43              | -                                           | -                   | -               | -                        | -                  |
| 4        | 2.2 General Service 10-100 kW     | 14.23                                        | -                   | 0.05977         | -                        | 52.49              | -                                           | -                   | -               | -                        | -                  |
| 5        | 2.3 General Service 110-1,000 kVa | 2.32                                         | -                   | 0.05977         | -                        | 53.82              | -                                           | -                   | -               | -                        | -                  |
| 6        | 4.1 Street and Area Lighting      | -                                            | 0.10430             | 0.05977         | 0.16406                  | 48.77              | -                                           | -                   | -               | -                        | -                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Interconnected**  
**Unit Demand, Energy & Customer Amounts**

|          | 1                                  | 2                                            | 3                   | 4               | 5                        | 6                  | 7                                           | 8                   | 9               | 10                       | 11                 |
|----------|------------------------------------|----------------------------------------------|---------------------|-----------------|--------------------------|--------------------|---------------------------------------------|---------------------|-----------------|--------------------------|--------------------|
|          | Rate Class                         | Before Deficit and Revenue Credit Allocation |                     |                 |                          |                    | After Deficit and Revenue Credit Allocation |                     |                 |                          |                    |
| Line No. |                                    | Demand                                       |                     | Energy (\$/kWh) | Non-Demand               |                    | Demand                                      |                     | Energy (\$/kWh) | Non-Demand               |                    |
|          |                                    | Demand (\$/kW)                               | Non-Demand (\$/kWh) |                 | Demand & Energy (\$/kWh) | Customer (\$/Bill) | Demand (\$/kW)                              | Non-Demand (\$/kWh) |                 | Demand & Energy (\$/kWh) | Customer (\$/Bill) |
|          | Labrador Interconnected            |                                              |                     |                 |                          |                    |                                             |                     |                 |                          |                    |
| 1        | Industrial - IOCC Firm             | 3.60                                         | -                   | 0.00175         | -                        | 0.00               | 3.60                                        | -                   | 0.00175         | -                        | 0.00               |
| 2        | Industrial - IOCC Non-Firm         | -                                            | -                   | 0.00175         | 0.00175                  | 0.00               | -                                           | -                   | 0.00175         | 0.00175                  | 0.00               |
| 3        | CFB - Goose Bay Secondary          | -                                            | -                   | 0.00166         | 0.00166                  | 56.12              | -                                           | -                   | 0.00246         | 0.00246                  | 83.02              |
|          | Rural                              |                                              |                     |                 |                          |                    |                                             |                     |                 |                          |                    |
| 4        | 1.1 Domestic                       | -                                            | 0.01900             | 0.00179         | 0.02079                  | 23.90              | -                                           | 0.02341             | 0.00221         | 0.02562                  | 29.45              |
| 5        | 1.1A Domestic All Electric         | -                                            | 0.02166             | 0.00179         | 0.02346                  | 23.90              | -                                           | 0.02669             | 0.00221         | 0.02890                  | 29.45              |
| 6        | Domestic                           | -                                            | 0.02159             | 0.00179         | 0.02338                  | 23.90              | -                                           | 0.02659             | 0.00221         | 0.02880                  | 29.45              |
| 7        | 2.1 General Service 0-10 kW        | -                                            | 0.01436             | 0.00179         | 0.01615                  | 26.33              | -                                           | 0.01770             | 0.00220         | 0.01990                  | 32.44              |
| 8        | 2.2 General Service 10-100 kW      | 2.21                                         | -                   | 0.00179         | -                        | 41.06              | 2.73                                        | -                   | 0.00220         | -                        | 50.58              |
| 9        | 2.3 General Service 110-1,000 kVa  | 2.26                                         | -                   | 0.00180         | -                        | 42.27              | 2.79                                        | -                   | 0.00221         | -                        | 52.08              |
| 10       | 2.4 General Service Over 1,000 kVa | 2.51                                         | -                   | 0.00163         | -                        | 20.46              | 3.09                                        | -                   | 0.00201         | -                        | 25.20              |
| 11       | 4.1 Street and Area Lighting       | -                                            | 0.01792             | 0.00178         | 0.01970                  | 40.60              | 0.00                                        | 0.02207             | 0.00219         | 0.02427                  | 50.02              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Isolated Government Rate Classes**  
**Unit Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                                 | 1                                            | 2                      | 3                  | 4                           | 5                     | 6                                           | 7                      | 8                  | 9                           | 10                    | 11 |
|-------------|--------------------------------------------|----------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|---------------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|----|
|             |                                            | Before Deficit and Revenue Credit Allocation |                        |                    |                             |                       | After Deficit and Revenue Credit Allocation |                        |                    |                             |                       |    |
|             |                                            | Demand                                       |                        | Non-Demand         |                             |                       | Demand                                      |                        | Non-Demand         |                             |                       |    |
|             |                                            | Demand<br>(\$/kW)                            | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) | Demand<br>(\$/kW)                           | Non-Demand<br>(\$/kWh) | Energy<br>(\$/kWh) | Demand & Energy<br>(\$/kWh) | Customer<br>(\$/Bill) |    |
|             | <b>1.2G Government Domestic Diesel</b>     |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 1           | Island Isolated                            | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 2           | Labrador Isolated                          | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 3           | <b>Domestic</b>                            | -                                            | -                      | -                  | -                           | <b>0.00</b>           |                                             |                        |                    |                             |                       |    |
|             | <b>2.5G Gov't General Service Diesel</b>   |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 4           | Island Isolated                            | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 5           | Labrador Isolated                          | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 6           | <b>General Service</b>                     | -                                            | -                      | -                  | -                           | <b>0.00</b>           |                                             |                        |                    |                             |                       |    |
|             | <b>4.1G Gov't Street and Area Lighting</b> |                                              |                        |                    |                             |                       |                                             |                        |                    |                             |                       |    |
| 7           | Island Isolated                            | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 8           | Labrador Isolated                          | -                                            | -                      | -                  | -                           | 0.00                  |                                             |                        |                    |                             |                       |    |
| 9           | <b>Street Lighting</b>                     | -                                            | -                      | -                  | -                           | <b>0.00</b>           |                                             |                        |                    |                             |                       |    |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Total Demand, Energy & Customer Amounts**

|          | 1                                  | 2                                            | 3                  | 4                  | 5                 | 6                                           | 7           | 8           | 9             |
|----------|------------------------------------|----------------------------------------------|--------------------|--------------------|-------------------|---------------------------------------------|-------------|-------------|---------------|
| Line No. | Rate Class                         | Before Deficit and Revenue Credit Allocation |                    |                    |                   | After Deficit and Revenue Credit Allocation |             |             |               |
|          |                                    | Total (\$)                                   | Demand (\$)        | Energy (\$)        | Customer (\$)     | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>Island Interconnected</b>       |                                              |                    |                    |                   |                                             |             |             |               |
| 1        | Newfoundland Power                 | 211,067,007                                  | 79,026,676         | 130,022,865        | 2,017,466         | 250,294,459                                 | 93,714,027  | 154,188,015 | 2,392,418     |
| 2        | Industrial - Firm                  | 48,987,674                                   | 10,945,235         | 37,544,781         | 497,657           | 48,963,303                                  | 10,939,790  | 37,526,103  | 497,410       |
| 3        | Industrial - Non-Firm              | 361,006                                      | -                  | 361,006            | -                 | 516,424                                     | -           | 516,424     | -             |
|          | <b>Rural</b>                       |                                              |                    |                    |                   |                                             |             |             |               |
| 4        | 1.1 Domestic                       | 18,784,272                                   | 10,967,126         | 3,461,029          | 4,356,117         | -                                           | -           | -           | -             |
| 5        | 1.12 Domestic All Electric         | 19,208,515                                   | 13,343,528         | 3,478,218          | 2,386,768         | -                                           | -           | -           | -             |
| 6        | 1.3 Special                        | 36,524                                       | 28,259             | 7,555              | 710               | -                                           | -           | -           | -             |
| 7        | 2.1 General Service 0-10 kW        | 2,602,400                                    | 1,375,858          | 481,852            | 744,690           | -                                           | -           | -           | -             |
| 8        | 2.2 General Service 10-100 kW      | 6,242,736                                    | 3,823,791          | 1,885,282          | 533,663           | -                                           | -           | -           | -             |
| 9        | 2.3 General Service 110-1,000 kVa  | 3,046,424                                    | 1,686,169          | 1,316,983          | 43,273            | -                                           | -           | -           | -             |
| 10       | 2.4 General Service Over 1,000 kVa | 1,519,461                                    | 808,108            | 708,101            | 3,251             | -                                           | -           | -           | -             |
| 11       | 4.1 Street and Area Lighting       | 907,045                                      | 306,433            | 91,707             | 508,905           | -                                           | -           | -           | -             |
| 12       | <b>Subtotal Rural</b>              | <b>52,347,377</b>                            | <b>32,339,272</b>  | <b>11,430,727</b>  | <b>8,577,377</b>  |                                             |             |             |               |
| 13       | <b>Total Island Interconnected</b> | <b>312,763,063</b>                           | <b>122,311,184</b> | <b>179,359,380</b> | <b>11,092,500</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Isolated**  
**Total Demand, Energy & Customer Amounts**

|          | 1                                   | 2                                            | 3                | 4                | 5              | 6                                           | 7           | 8           | 9             |
|----------|-------------------------------------|----------------------------------------------|------------------|------------------|----------------|---------------------------------------------|-------------|-------------|---------------|
| Line No. | Rate Class                          | Before Deficit and Revenue Credit Allocation |                  |                  |                | After Deficit and Revenue Credit Allocation |             |             |               |
|          |                                     | Total (\$)                                   | Demand (\$)      | Energy (\$)      | Customer (\$)  | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>Island Isolated</b>              |                                              |                  |                  |                |                                             |             |             |               |
| 1        | 1.2 Domestic Diesel                 | 6,624,180                                    | 3,786,964        | 2,471,091        | 366,125        | -                                           | -           | -           | -             |
| 2        | 1.2G Government Domestic Diesel     | -                                            | -                | -                | -              | -                                           | -           | -           | -             |
| 3        | 1.23 Churches, Schools & Com Halls  | 376,606                                      | 166,089          | 197,375          | 13,142         | -                                           | -           | -           | -             |
| 4        | 2.2 GS 10-100 kW                    | -                                            | -                | -                | -              | -                                           | -           | -           | -             |
| 5        | 2.3 GS 110-1,000 kVa                | 484,694                                      | 128,904          | 354,910          | 879            | -                                           | -           | -           | -             |
| 6        | 2.5 GS Diesel                       | 1,466,561                                    | 741,975          | 667,897          | 56,688         | -                                           | -           | -           | -             |
| 7        | 2.5G Gov't General Service Diesel   | -                                            | -                | -                | -              | -                                           | -           | -           | -             |
| 8        | 4.1 Street and Area Lighting        | 137,122                                      | 69,861           | 42,899           | 24,362         | -                                           | -           | -           | -             |
| 9        | 4.1G Gov't Street and Area Lighting | -                                            | -                | -                | -              | -                                           | -           | -           | -             |
| 10       | <b>Total Island Isolated</b>        | <b>9,089,162</b>                             | <b>4,893,793</b> | <b>3,734,172</b> | <b>461,197</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Total Demand, Energy & Customer Amounts**

| Line<br>No. | Rate Class                          | 1                                            | 2                | 3                 | 4                | 5                                           | 6              | 7              | 8                | 9 |
|-------------|-------------------------------------|----------------------------------------------|------------------|-------------------|------------------|---------------------------------------------|----------------|----------------|------------------|---|
|             |                                     | Before Deficit and Revenue Credit Allocation |                  |                   |                  | After Deficit and Revenue Credit Allocation |                |                |                  |   |
|             |                                     | Total<br>(\$)                                | Demand<br>(\$)   | Energy<br>(\$)    | Customer<br>(\$) | Total<br>(\$)                               | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |   |
|             | <b>Labrador Isolated</b>            |                                              |                  |                   |                  |                                             |                |                |                  |   |
| 1           | 1.2 Domestic Diesel                 | 11,802,464                                   | 5,119,922        | 5,935,520         | 747,021          | -                                           | -              | -              | -                |   |
| 2           | 1.2G Government Domestic Diesel     | -                                            | -                | -                 | -                | -                                           | -              | -              | -                |   |
| 3           | 1.23 Churches, Schools & Com Halls  | 814,014                                      | 262,814          | 534,447           | 16,753           | -                                           | -              | -              | -                |   |
| 4           | 2.2 GS 10-100 kW                    | 150,824                                      | 19,940           | 127,767           | 3,117            | -                                           | -              | -              | -                |   |
| 5           | 2.3 GS 110-1,000 kVa                | 670,608                                      | 118,554          | 546,524           | 5,530            | -                                           | -              | -              | -                |   |
| 6           | 2.4 General Service Over 1,000 kVa  | 790,193                                      | 57,903           | 731,561           | 729              | -                                           | -              | -              | -                |   |
| 7           | 2.5 GS Diesel                       | 4,413,992                                    | 1,558,849        | 2,676,759         | 178,384          | -                                           | -              | -              | -                |   |
| 8           | 2.5G Gov't General Service Diesel   | -                                            | -                | -                 | -                | -                                           | -              | -              | -                |   |
| 9           | 4.1 Street and Area Lighting        | 189,550                                      | 66,858           | 72,985            | 49,707           | -                                           | -              | -              | -                |   |
| 10          | 4.1G Gov't Street and Area Lighting | -                                            | -                | -                 | -                | -                                           | -              | -              | -                |   |
| 11          | <b>Total Labrador Isolated</b>      | <b>18,831,644</b>                            | <b>7,204,840</b> | <b>10,625,564</b> | <b>1,001,241</b> |                                             |                |                |                  |   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Total Demand, Energy & Customer Amounts

|          | 1                                 | 2                                            | 3                | 4              | 5              | 6                                           | 7           | 8           | 9             |
|----------|-----------------------------------|----------------------------------------------|------------------|----------------|----------------|---------------------------------------------|-------------|-------------|---------------|
| Line No. | Rate Class                        | Before Deficit and Revenue Credit Allocation |                  |                |                | After Deficit and Revenue Credit Allocation |             |             |               |
|          |                                   | Total (\$)                                   | Demand (\$)      | Energy (\$)    | Customer (\$)  | Total (\$)                                  | Demand (\$) | Energy (\$) | Customer (\$) |
|          | <b>L'Anse au Loup</b>             |                                              |                  |                |                |                                             |             |             |               |
| 1        | 1.1 Domestic                      | 1,576,988                                    | 804,058          | 477,324        | 295,606        | -                                           | -           | -           | -             |
| 2        | 1.12 Domestic All Electric        | 69,264                                       | 41,313           | 19,943         | 8,007          | -                                           | -           | -           | -             |
| 3        | 2.1 General Service 0-10 kW       | 228,715                                      | 101,285          | 65,464         | 61,966         | -                                           | -           | -           | -             |
| 4        | 2.2 General Service 10-100 kW     | 416,160                                      | 189,687          | 192,248        | 34,225         | -                                           | -           | -           | -             |
| 5        | 2.3 General Service 110-1,000 kVa | 57,230                                       | 11,885           | 43,999         | 1,345          | -                                           | -           | -           | -             |
| 6        | 4.1 Street and Area Lighting      | 37,593                                       | 11,994           | 6,873          | 18,726         | -                                           | -           | -           | -             |
| 7        | <b>Total L'Anse au Loup</b>       | <b>2,385,949</b>                             | <b>1,160,222</b> | <b>805,851</b> | <b>419,876</b> |                                             |             |             |               |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Interconnected**  
**Total Demand, Energy & Customer Amounts**

|          | 1                                    | 2                                            | 3                 | 4                | 5                | 6                                           | 7                 | 8                | 9                |
|----------|--------------------------------------|----------------------------------------------|-------------------|------------------|------------------|---------------------------------------------|-------------------|------------------|------------------|
| Line No. | Rate Class                           | Before Deficit and Revenue Credit Allocation |                   |                  |                  | After Deficit and Revenue Credit Allocation |                   |                  |                  |
|          |                                      | Total (\$)                                   | Demand (\$)       | Energy (\$)      | Customer (\$)    | Total (\$)                                  | Demand (\$)       | Energy (\$)      | Customer (\$)    |
|          | <b>Labrador Interconnected</b>       |                                              |                   |                  |                  |                                             |                   |                  |                  |
| 1        | Industrial - IOCC Firm               | 3,070,429                                    | 2,681,999         | 388,431          | -                | 3,070,429                                   | 2,681,999         | 388,431          | -                |
| 2        | Industrial - IOCC Non-Firm           | 6,669                                        | -                 | 6,669            | -                | 6,669                                       | -                 | 6,669            | -                |
| 3        | CFB - Goose Bay Secondary            | 129,919                                      | -                 | 129,245          | 673              | 192,181                                     | -                 | 191,185          | 996              |
|          | <b>Rural</b>                         |                                              |                   |                  |                  |                                             |                   |                  |                  |
| 4        | 1.1 Domestic                         | 352,974                                      | 147,316           | 13,908           | 191,750          | 434,859                                     | 181,491           | 17,135           | 236,233          |
| 5        | 1.1A Domestic All Electric           | 8,063,846                                    | 5,590,161         | 462,703          | 2,010,981        | 9,934,553                                   | 6,887,006         | 570,044          | 2,477,503        |
| 6        | <b>Subtotal Domestic</b>             | <b>8,416,819</b>                             | <b>5,737,477</b>  | <b>476,611</b>   | <b>2,202,731</b> | <b>10,369,412</b>                           | <b>7,068,497</b>  | <b>587,179</b>   | <b>2,713,736</b> |
| 7        | 2.1 General Service 0-10 kW          | 220,680                                      | 75,150            | 9,340            | 136,190          | 271,876                                     | 92,584            | 11,507           | 167,784          |
| 8        | 2.2 General Service 10-100 kW        | 1,002,314                                    | 596,942           | 110,901          | 294,471          | 1,234,838                                   | 735,425           | 136,628          | 362,784          |
| 9        | 2.3 General Service 110-1,000 kVa    | 824,858                                      | 619,683           | 153,180          | 51,995           | 1,016,215                                   | 763,442           | 188,716          | 64,057           |
| 10       | 2.4 General Service Over 1,000 kVa   | 400,620                                      | 315,950           | 84,130           | 540              | 493,558                                     | 389,247           | 103,647          | 665              |
| 11       | 4.1 Street and Area Lighting         | 158,653                                      | 25,977            | 2,580            | 130,096          | 195,459                                     | 32,003            | 3,179            | 160,277          |
| 12       | <b>Subtotal Rural</b>                | <b>11,023,945</b>                            | <b>7,371,180</b>  | <b>836,743</b>   | <b>2,816,023</b> | <b>13,581,357</b>                           | <b>9,081,197</b>  | <b>1,030,856</b> | <b>3,469,303</b> |
| 13       | <b>Total Labrador Interconnected</b> | <b>14,230,962</b>                            | <b>10,053,178</b> | <b>1,361,088</b> | <b>2,816,696</b> | <b>16,850,636</b>                           | <b>11,763,196</b> | <b>1,617,140</b> | <b>3,469,303</b> |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Isolated Government Rate Classes  
Total Demand, Energy & Customer Amounts

| Line<br>No. | Rate Class                                 | Before Deficit and Revenue Credit Allocation |                |                |                  | After Deficit and Revenue Credit Allocation |                |                |                  |
|-------------|--------------------------------------------|----------------------------------------------|----------------|----------------|------------------|---------------------------------------------|----------------|----------------|------------------|
|             |                                            | Total<br>(\$)                                | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) | Total<br>(\$)                               | Demand<br>(\$) | Energy<br>(\$) | Customer<br>(\$) |
|             | <b>1.2G Government Domestic Diesel</b>     |                                              |                |                |                  |                                             |                |                |                  |
| 1           | Island Isolated                            | -                                            | -              | -              | -                |                                             |                |                |                  |
| 2           | Labrador Isolated                          | -                                            | -              | -              | -                |                                             |                |                |                  |
| 3           | <b>Subtotal Domestic</b>                   | -                                            | -              | -              | -                |                                             |                |                |                  |
|             | <b>2.5G Gov't General Service Diesel</b>   |                                              |                |                |                  |                                             |                |                |                  |
| 4           | Island Isolated                            | -                                            | -              | -              | -                |                                             |                |                |                  |
| 5           | Labrador Isolated                          | -                                            | -              | -              | -                |                                             |                |                |                  |
| 6           | <b>Subtotal General Service</b>            | -                                            | -              | -              | -                |                                             |                |                |                  |
|             | <b>4.1G Gov't Street and Area Lighting</b> |                                              |                |                |                  |                                             |                |                |                  |
| 7           | Island Isolated                            | -                                            | -              | -              | -                |                                             |                |                |                  |
| 8           | Labrador Isolated                          | -                                            | -              | -              | -                |                                             |                |                |                  |
| 9           | <b>Subtotal Street Lighting</b>            | -                                            | -              | -              | -                |                                             |                |                |                  |
| 10          | <b>Total Government Rate Classes</b>       | -                                            | -              | -              | -                |                                             |                |                |                  |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                         | 1                          | 2                | 3                   | 4 |
|-------------|------------------------------------|----------------------------|------------------|---------------------|---|
|             |                                    |                            | Units            |                     |   |
|             |                                    | Billing<br>Demands<br>(kW) | Sales<br>(MWh)   | Bills<br>(Total No) |   |
|             | <b>Island Interconnected</b>       |                            |                  |                     |   |
| 1           | Newfoundland Power                 | -                          | 4,588,662        | 12                  |   |
| 2           | Industrial - Firm                  | 2,230,236                  | 1,325,000        | 48                  |   |
| 3           | Industrial - Non-Firm              | 64,462                     | 12,740           | -                   |   |
|             | <b>Rural</b>                       |                            |                  |                     |   |
| 4           | 1.1 Domestic                       | -                          | 109,975          | 147,166             |   |
| 5           | 1.12 Domestic All Electric         | -                          | 110,521          | 80,634              |   |
| 6           | 1.3 Special                        | -                          | 240              | 24                  |   |
| 7           | 2.1 General Service 0-10 kW        | -                          | 15,311           | 22,765              |   |
| 8           | 2.2 General Service 10-100 kW      | 202,032                    | 59,905           | 10,341              |   |
| 9           | 2.3 General Service 110-1,000 kVa  | 173,680                    | 42,053           | 849                 |   |
| 10          | 2.4 General Service Over 1,000 kVa | 68,820                     | 22,910           | 72                  |   |
| 11          | 4.1 Street and Area Lighting       | -                          | 2,914            | 12,063              |   |
| 12          | <b>Subtotal Rural</b>              | <b>444,532</b>             | <b>363,830</b>   | <b>273,914</b>      |   |
| 13          | <b>Total Island Interconnected</b> | <b>2,739,230</b>           | <b>6,290,232</b> | <b>273,974</b>      |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Isolated**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                          | 1                          | 2              | 3                   | 4 |
|-------------|-------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                     |                            | Units          |                     |   |
|             |                                     | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Island Isolated</b>              |                            |                |                     |   |
| 1           | 1.2 Domestic Diesel                 | -                          | 6,906          | 10,614              |   |
| 2           | 1.2G Government Domestic Diesel     | -                          | -              | -                   |   |
| 3           | 1.23 Churches, Schools & Com Halls  | -                          | 552            | 381                 |   |
| 4           | 2.2 GS 10-100 kW                    | -                          | -              | -                   |   |
| 5           | 2.3 GS 110-1,000 kVa                | 5,760                      | 992            | 12                  |   |
| 6           | 2.5 GS Diesel                       | -                          | 1,867          | 1,431               |   |
| 7           | 2.5G Gov't General Service Diesel   | -                          | -              | -                   |   |
| 8           | 4.1 Street and Area Lighting        | -                          | 120            | 478                 |   |
| 9           | 4.1G Gov't Street and Area Lighting | -                          | -              | -                   |   |
| 10          | <b>Total Island Isolated</b>        | <b>5,760</b>               | <b>10,436</b>  | <b>12,916</b>       |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                          | 1                          | 2              | 3                   | 4 |
|-------------|-------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                     |                            | Units          |                     |   |
|             |                                     | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Labrador Isolated</b>            |                            |                |                     |   |
| 1           | 1.2 Domestic Diesel                 | -                          | 19,385         | 23,989              |   |
| 2           | 1.2G Government Domestic Diesel     | -                          | -              | -                   |   |
| 3           | 1.23 Churches, Schools & Com Halls  | -                          | 1,745          | 538                 |   |
| 4           | 2.2 GS 10-100 kW                    | 2,759                      | 417            | 53                  |   |
| 5           | 2.3 GS 110-1,000 kVa                | 15,458                     | 1,785          | 91                  |   |
| 6           | 2.4 General Service Over 1,000 kVa  | 11,097                     | 2,389          | 12                  |   |
| 7           | 2.5 GS Diesel                       | -                          | 8,742          | 5,089               |   |
| 8           | 2.5G Gov't General Service Diesel   | -                          | -              | -                   |   |
| 9           | 4.1 Street and Area Lighting        | -                          | 238            | 933                 |   |
| 10          | 4.1G Gov't Street and Area Lighting | -                          | -              | -                   |   |
| 11          | <b>Total Labrador Isolated</b>      | <b>29,314</b>              | <b>34,703</b>  | <b>30,705</b>       |   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Demands, Sales, & Number of Bills

| Line<br>No. | Rate Class                        | 1                          | 2              | 3                   | 4 |
|-------------|-----------------------------------|----------------------------|----------------|---------------------|---|
|             |                                   |                            | Units          |                     |   |
|             |                                   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>L'Anse au Loup</b>             |                            |                |                     |   |
| 1           | 1.1 Domestic                      | -                          | 7,987          | 8,750               |   |
| 2           | 1.12 Domestic All Electric        | -                          | 334            | 237                 |   |
| 3           | 2.1 General Service 0-10 kW       | -                          | 1,095          | 1,701               |   |
| 4           | 2.2 General Service 10-100 kW     | 13,331                     | 3,217          | 652                 |   |
| 5           | 2.3 General Service 110-1,000 kVa | 5,123                      | 736            | 25                  |   |
| 6           | 4.1 Street and Area Lighting      | -                          | 115            | 384                 |   |
| 7           | <b>Total L'Anse au Loup</b>       | <b>18,454</b>              | <b>13,484</b>  | <b>11,749</b>       |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Interconnected**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                           | 1                          | 2              | 3                   | 4 |
|-------------|--------------------------------------|----------------------------|----------------|---------------------|---|
|             |                                      |                            | Units          |                     |   |
|             |                                      | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |   |
|             | <b>Labrador Interconnected</b>       |                            |                |                     |   |
| 1           | Industrial - IOCC Firm               | 744,000                    | 222,234        | 12                  |   |
| 2           | Industrial - IOCC Non-Firm           | -                          | 3,815          |                     |   |
| 3           | CFB - Goose Bay Secondary            | -                          | 77,650         | 12                  |   |
|             | <b>Rural</b>                         |                            |                |                     |   |
| 4           | 1.1 Domestic                         | -                          | 7,754          | 8,022               |   |
| 5           | 1.1A Domestic All Electric           | -                          | 258,033        | 84,131              |   |
| 6           | <b>Subtotal Domestic</b>             | <b>-</b>                   | <b>265,788</b> | <b>92,153</b>       |   |
| 7           | 2.1 General Service 0-10 kW          | -                          | 5,231          | 5,173               |   |
| 8           | 2.2 General Service 10-100 kW        | 269,828                    | 62,057         | 7,172               |   |
| 9           | 2.3 General Service 110-1,000 kVa    | 273,917                    | 85,232         | 1,230               |   |
| 10          | 2.4 General Service Over 1,000 kVa   | 126,011                    | 51,662         | 26                  |   |
| 11          | 4.1 Street and Area Lighting         | -                          | 1,450          | 3,204               |   |
| 12          | <b>Subtotal Rural</b>                | <b>669,756</b>             | <b>471,419</b> | <b>108,958</b>      |   |
| 13          | <b>Total Labrador Interconnected</b> | <b>1,413,756</b>           | <b>775,119</b> | <b>108,982</b>      |   |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Isolated Government Rate Classes**  
**Demands, Sales, & Number of Bills**

| Line<br>No. | Rate Class                                 | 1 | 2                          | 3              | 4                   |
|-------------|--------------------------------------------|---|----------------------------|----------------|---------------------|
|             |                                            |   | Units                      |                |                     |
|             |                                            |   | Billing<br>Demands<br>(kW) | Sales<br>(MWh) | Bills<br>(Total No) |
|             | <b>1.2G Government Domestic Diesel</b>     |   |                            |                |                     |
| 1           | Island Isolated                            |   | -                          | -              | -                   |
| 2           | Labrador Isolated                          |   | -                          | -              | -                   |
| 3           | <b>Subtotal Domestic</b>                   |   | -                          | -              | -                   |
|             | <b>2.5G Gov't General Service Diesel</b>   |   |                            |                |                     |
| 4           | Island Isolated                            |   | -                          | -              | -                   |
| 5           | Labrador Isolated                          |   | -                          | -              | -                   |
| 6           | <b>Subtotal General Service</b>            |   | -                          | -              | -                   |
|             | <b>4.1G Gov't Street and Area Lighting</b> |   |                            |                |                     |
| 7           | Island Isolated                            |   | -                          | -              | -                   |
| 8           | Labrador Isolated                          |   | -                          | -              | -                   |
| 9           | <b>Subtotal Street Lighting</b>            |   | -                          | -              | -                   |
| 10          | <b>Total Government Rate Classes</b>       |   | -                          | -              | -                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Calculation of Firming Up Charge

|          | 1                       | 2                 | 3                | 4                        |
|----------|-------------------------|-------------------|------------------|--------------------------|
| Line No. | Description             | Total             | Gas Turbine      | Transmission & Terminals |
| 1        | Operating & Maintenance | 5,179,142         | 1,081,603        | 4,097,539                |
| 2        | O&M Overhead            | 4,661,675         | 803,992          | 3,857,683                |
| 3        | Depreciation            | 7,009,432         | 248,508          | 6,760,924                |
| 4        | Return (Note 1)         | 14,110,122        | 222,892          | 13,887,230               |
| 5        | <b>Total</b>            | <b>30,960,371</b> | <b>2,356,995</b> | <b>28,603,375</b>        |
| 6        | Capacity (kW)           |                   | 118,000          | 1,485,500                |
| 7        | Cost (\$/kW)            | \$39.23           | \$19.97          | \$19.26                  |
| 8        | Rate (\$/kWh)           | \$0.00896         |                  |                          |

Note 1 Gas Turbine Return

Gas Turbine NBV - Sch.2.3A L.9

2,633,854

NBV Including Alloc General, Telecontrol & Feasibility Study

2,788,305

Percent of Total Prod Demand NBV - Schedule 2.3A, L.40, C.3

0.76%

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Calculation of Transmission Wheeling Charge

|             | 1                                                      | 2          |
|-------------|--------------------------------------------------------|------------|
| Line<br>No. | Description                                            |            |
| 1           | Island Interconnected Transmission Revenue Requirement | 28,399,966 |
| 2           | Transmission Energy Output (MWh)                       | 6,329,806  |
| 3           | Rate (\$/kWh)                                          | \$0.00449  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Functional Classification of Revenue Requirement

|                 | 1                                       | 2                 | 3                      | 4                                       | 5                        | 6                                     | 7                       | 8             | 9             | 10                | 11            | 12              | 13            | 14            | 15            | 16              | 17            | 18                                  |
|-----------------|-----------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.        | Description                             | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|                 |                                         |                   |                        |                                         |                          |                                       | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|                 |                                         |                   |                        |                                         |                          |                                       |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Expenses        |                                         |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 1               | Operating & Maintenance                 | 70,141,750        | 25,592,962             | 17,829,422                              | 7,955,221                | 4,557,845                             | 1,144,916               | 5,068,808     | 1,217,869     | 264,785           | 468,692       | 689,611         | 758,795       | 433,684       | 337,260       | 94,411          | 2,943,000     | 784,470                             |
| 2               | Fuels-No. 6 Fuel                        | 113,136,174       | -                      | 113,136,174                             | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 3               | Fuels-Diesel                            | 58,752            | -                      | -                                       | -                        | 58,752                                | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 4               | Fuels-Gas Turbine                       | 84,804            | 84,804                 | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5               | Power Purchases -CF(L)Co                | -                 | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 6               | Power Purchases-Other                   | 12,553,533        | 5,995,200              | 6,112,039                               | -                        | 446,294                               | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 7               | Depreciation                            | 25,329,207        | 5,879,267              | 5,144,733                               | 6,760,924                | 2,603,343                             | 492,153                 | 1,932,991     | 439,675       | 101,998           | 180,545       | 245,867         | 271,575       | 115,172       | 80,465        | 40,207          | 213,011       | 827,281                             |
| Expense Credits |                                         |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 8               | Sundry                                  | (397,790)         | (145,143)              | (101,115)                               | (45,116)                 | (25,849)                              | (6,493)                 | (28,746)      | (6,907)       | (1,502)           | (2,658)       | (3,911)         | (4,303)       | (2,460)       | (1,913)       | (535)           | (16,690)      | (4,449)                             |
| 9               | Building Rental Income                  | (6,340)           | (2,187)                | (2,228)                                 | (895)                    | (485)                                 | (70)                    | (218)         | (52)          | (11)              | (20)          | (30)            | (33)          | (19)          | (9)           | (4)             | -             | (79)                                |
| 10              | Tax Refunds                             | -                 | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 11              | Suppliers' Discounts                    | (55,257)          | (20,162)               | (14,046)                                | (6,267)                  | (3,591)                               | (902)                   | (3,993)       | (959)         | (209)             | (369)         | (543)           | (598)         | (342)         | (266)         | (74)            | (2,318)       | (618)                               |
| 12              | Pole Attachments                        | (634,060)         | -                      | -                                       | -                        | -                                     | -                       | (366,707)     | (125,323)     | -                 | -             | (64,907)        | (77,122)      | -             | -             | -               | -             | -                                   |
| 13              | Secondary Energy                        | (2,729)           | -                      | (2,729)                                 | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 14              | Wheeling Revenues                       | (414,522)         | -                      | -                                       | (414,522)                | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 15              | Misc Cust & Mtr Test Rev                | (50,992)          | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | (50,992)      | -               | -             | -                                   |
| 16              | Application Fees                        | (19,440)          | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | (19,440)      | -                                   |
| 17              | Total Expense Credits                   | (1,581,130)       | (167,493)              | (120,117)                               | (466,800)                | (29,924)                              | (7,465)                 | (399,665)     | (133,242)     | (1,722)           | (3,047)       | (69,391)        | (82,056)      | (2,820)       | (53,179)      | (614)           | (38,449)      | (5,146)                             |
| 18              | Subtotal Expenses                       | 219,723,089       | 37,384,740             | 142,102,251                             | 14,249,345               | 7,636,309                             | 1,629,604               | 6,602,133     | 1,524,302     | 365,062           | 646,190       | 866,087         | 948,314       | 546,036       | 364,545       | 134,004         | 3,117,562     | 1,606,604                           |
| 19              | Disposal Gain / Loss                    | 1,726,802         | 557,428                | 673,580                                 | 263,390                  | 127,126                               | 14,065                  | 40,318        | 9,467         | 2,689             | 4,761         | 5,241           | 5,818         | 2,685         | 1,793         | 1,123           | 483           | 16,834                              |
| 20              | Subtotal Revenue Requirement Ex. Return | 221,449,891       | 37,942,168             | 142,775,831                             | 14,512,736               | 7,763,436                             | 1,643,669               | 6,642,451     | 1,533,769     | 367,751           | 650,951       | 871,327         | 954,132       | 548,721       | 366,339       | 135,127         | 3,118,045     | 1,623,439                           |
| 21              | Return on Debt                          | 84,500,802        | 27,013,844             | 33,501,482                              | 12,717,268               | 6,151,688                             | 683,225                 | 1,961,074     | 460,686       | 130,223           | 230,506       | 255,142         | 283,208       | 131,353       | 87,053        | 54,253          | 23,235        | 816,562                             |
| 22              | Return on Equity                        | 6,812,370         | 2,485,218              | 3,082,067                               | 1,169,962                | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 75,122                              |
| 23              | Total Revenue Reqmt                     | 312,763,063       | 67,441,230             | 179,359,380                             | 28,399,966               | 13,915,124                            | 2,326,894               | 8,603,526     | 1,994,455     | 497,974           | 881,456       | 1,126,469       | 1,237,340     | 680,073       | 453,392       | 189,381         | 3,141,280     | 2,515,123                           |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                                   | 2<br>Basis of Functional Classification                           |
|-------------|----------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                    |                                                                   |
| 1           | Operating & Maintenance                            | Carryforward from Sch.2.4 L.25                                    |
| 2           | Fuels-No. 6 Fuel                                   | Production - Demand, Energy ratios Sch.4.1 L.10                   |
| 3           | Fuels-Diesel                                       | Production - Demand, Energy ratios Sch.4.1 L.12                   |
| 4           | Fuels-Gas Turbine                                  | Production - Demand, Energy ratios Sch.4.1 L.11                   |
| 5           | Power Purchases -CF(L)Co                           |                                                                   |
| 6           | Power Purchases-Other                              | Carryforward from Sch.4.4 L.7                                     |
| 7           | Depreciation                                       | Carryforward from Sch.2.5 L.40                                    |
|             | <b>Expense Credits</b>                             |                                                                   |
| 8           | Sundry                                             | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 9           | Building Rental Income                             | Prorated on General Plant - Sch.2.2 L.34                          |
| 10          | Tax Refunds                                        | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 11          | Suppliers' Discounts                               | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.25 |
| 12          | Pole Attachments                                   | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy                                   | Production - Energy                                               |
| 14          | Wheeling Revenues                                  | Transmission - Demand                                             |
| 15          | Misc Cust & Mtr Test Rev                           | Meters - Customer                                                 |
| 16          | Application Fees                                   | Accounting - Customer                                             |
| 17          | <b>Total Expense Credits</b>                       |                                                                   |
| 18          | <b>Subtotal Expenses</b>                           |                                                                   |
| 19          | Disposal Gain / Loss                               | Prorated on Total Net Book Value - Sch.2.3 L.40                   |
| 20          | <b>Subtotal Revenue Requirement<br/>Ex. Return</b> |                                                                   |
| 21          | Return on Debt                                     | Prorated on Rate Base - Sch.2.6 L.8                               |
| 22          | Return on Equity                                   | Prorated on Rate Base - Sch.2.6 L.10                              |
| 23          | <b>Total Revenue Reqmt</b>                         |                                                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected

Functional Classification of Plant in Service for the Allocation of O&M Expense

|      | 1                          | 2             | 3           | 4              | 5            | 6            | 7            | 8             | 9          | 10                | 11        | 12              | 13        | 14        | 15        | 16              | 17         | 18         |              |
|------|----------------------------|---------------|-------------|----------------|--------------|--------------|--------------|---------------|------------|-------------------|-----------|-----------------|-----------|-----------|-----------|-----------------|------------|------------|--------------|
|      |                            |               |             | Production and |              | Rural Prod & | Distribution |               |            |                   |           |                 |           |           |           |                 |            |            | Specifically |
| Line |                            | Total         | Production  | Transmission   | Transmission | Transmission | Substations  | Primary Lines |            | Line Transformers |           | Secondary Lines |           | Services  | Meters    | Street Lighting | Accounting | Assigned   |              |
| No.  | Description                | Amount        | Demand      | Energy         | Demand       | Demand       | Demand       | Demand        | Customer   | Demand            | Customer  | Demand          | Customer  | Customer  | Customer  | Customer        | Customer   | Customer   |              |
|      |                            | (\$)          | (\$)        | (\$)           | (\$)         | (\$)         | (\$)         | (\$)          | (\$)       | (\$)              | (\$)      | (\$)            | (\$)      | (\$)      | (\$)      | (\$)            | (\$)       | (\$)       |              |
|      | Production                 |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |            |              |
|      | Hydraulic                  |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |            |              |
| 1    | Bay D'Espoir               | 183,416,234   | 80,427,507  | 102,988,727    | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 2    | Upper Salmon               | 169,392,819   | 74,278,278  | 95,114,541     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 3    | Hinds Lake                 | 79,405,165    | 34,818,943  | 44,586,222     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 4    | Cat Arm                    | 263,672,850   | 115,619,809 | 148,053,041    | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 5    | Paradise River             | 21,645,679    | 9,491,570   | 12,154,109     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 6    | Other Hydraulic            | 2,113,835     | 370,615     | 474,579        | -            | 1,268,641    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 7    | Subtotal Hydraulic         | 719,646,582   | 315,006,722 | 403,371,219    | -            | 1,268,641    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 8    | Holyrood                   | 178,648,933   | 119,319,622 | 59,329,311     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 9    | Gas Turbines               | 23,547,556    | 23,547,556  | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 10   | Roddickton                 | -             | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 11   | Diesel                     | 7,240,521     | -           | -              | -            | 7,240,521    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 12   | Subtotal Production        | 929,083,592   | 457,873,900 | 462,700,530    | -            | 8,509,162    | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
|      | Transmission               |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |            |              |
| 13   | Lines                      | 227,238,489   | -           | -              | 144,808,671  | 78,902,490   | -            | 84,000        | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 3,443,327  |              |
| 14   | Lines - Hydraulic          | 39,435,603    | 17,292,402  | 22,143,201     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 15   | Terminal Stations          | 92,001,630    | -           | -              | 57,344,484   | 20,249,978   | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 14,407,168 |              |
| 16   | Term Stns - Hydraulic      | 26,681,952    | 11,699,962  | 14,981,991     | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 17   | Term Stns - Holyrood       | 9,964,226     | 6,655,106   | 3,309,119      | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 18   | Term Stns - Gas Tur/Dsl    | 1,183,617     | 526,908     | -              | -            | 656,709      | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 19   | Term Stns - Distribution   | 9,012,861     | -           | -              | -            | -            | 9,012,861    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 20   | Subtotal Term Stns         | 138,844,286   | 18,881,976  | 18,291,110     | 57,344,484   | 20,906,687   | 9,012,861    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 14,407,168 |              |
| 21   | Subtotal Transmission      | 405,518,377   | 36,174,378  | 40,434,311     | 202,153,155  | 99,809,177   | 9,012,861    | 84,000        | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 17,850,495 |              |
|      | Distribution               |               |             |                |              |              |              |               |            |                   |           |                 |           |           |           |                 |            |            |              |
| 22   | Substations                | 8,014,477     | -           | -              | -            | 1,197,785    | 6,816,692    | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 23   | Land & Land Improvements   | 702,229       | -           | -              | -            | -            | -            | 529,446       | 67,449     | -                 | -         | 61,410          | 43,924    | -         | -         | -               | -          | -          |              |
| 24   | Poles                      | 53,293,669    | -           | -              | -            | -            | -            | 30,822,287    | 10,533,600 | -                 | -         | 5,455,566       | 6,482,216 | -         | -         | -               | -          | -          |              |
| 25   | Primary Conductor & Eqpt   | 10,902,676    | -           | -              | -            | -            | -            | 9,670,674     | 1,232,002  | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 26   | Submarine Conductor        | 8,198,057     | -           | -              | -            | -            | -            | 8,198,057     | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 27   | Transformers               | 7,126,611     | -           | -              | -            | -            | -            | -             | -          | 2,572,706         | 4,553,904 | -               | -         | -         | -         | -               | -          | -          |              |
| 28   | Secondary Conductor&Eqpt   | 2,029,877     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | 1,183,418       | 846,459   | -         | -         | -               | -          | -          |              |
| 29   | Services                   | 4,213,761     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | 4,213,761 | -         | -               | -          | -          |              |
| 30   | Meters                     | 1,985,259     | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | 1,985,259 | -               | -          | -          |              |
| 31   | Street Lighting            | 917,314       | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | 917,314         | -          | -          |              |
| 32   | Subtotal Distribution      | 97,383,929    | -           | -              | -            | 1,197,785    | 6,816,692    | 49,220,462    | 11,833,052 | 2,572,706         | 4,553,904 | 6,700,394       | 7,372,599 | 4,213,761 | 1,985,259 | 917,314         | -          | -          |              |
| 33   | Subttl Prod, Trans, & Dist | 1,431,985,898 | 494,048,278 | 503,134,841    | 202,153,155  | 109,516,124  | 15,829,553   | 49,304,462    | 11,833,052 | 2,572,706         | 4,553,904 | 6,700,394       | 7,372,599 | 4,213,761 | 1,985,259 | 917,314         | -          | 17,850,495 |              |
| 34   | General                    | 89,417,827    | 30,849,971  | 31,417,366     | 12,623,096   | 6,838,541    | 988,448      | 3,078,730     | 738,894    | 160,648           | 284,361   | 418,394         | 460,369   | 263,121   | 123,966   | 57,280          | -          | 1,114,643  |              |
| 35   | Telecontrol - Common       | 44,177,227    | 16,575,400  | 16,880,256     | 6,782,271    | 3,634,098    | 302,383      | 2,818         | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 36   | Telecontrol - Specific     | 6,858         | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | 6,858      |              |
| 37   | Feasibility Studies        | 204,372       | 42,837      | -              | 161,535      | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | -          | -          |              |
| 38   | Software - General         | 3,259,348     | 1,124,505   | 1,145,187      | 460,122      | 249,270      | 36,030       | 112,222       | 26,933     | 5,856             | 10,365    | 15,251          | 16,781    | 9,591     | 4,519     | 2,088           | -          | 40,630     |              |
| 39   | Software - Cust Acctng     | 319,517       | -           | -              | -            | -            | -            | -             | -          | -                 | -         | -               | -         | -         | -         | -               | 319,517    | -          |              |
| 40   | Total Plant                | 1,569,371,048 | 542,640,991 | 552,577,649    | 222,180,179  | 120,238,032  | 17,156,414   | 52,498,233    | 12,598,879 | 2,739,210         | 4,848,630 | 7,134,039       | 7,849,748 | 4,486,473 | 2,113,743 | 976,682         | 319,517    | 19,012,625 |              |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Island Interconnected

## Functional Classification of Plant in Service for the Allocation of O&amp;M Expense - Documentation

| Line No. | 1<br>Description                      | 2<br>Basis of Functional Classification                                                                         |
|----------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                     |                                                                                                                 |
|          | <b>Hydraulic</b>                      |                                                                                                                 |
| 1        | Bay D'Espoir                          | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 2        | Upper Salmon                          | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 3        | Hinds Lake                            | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 4        | Cat Arm                               | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 5        | Paradise River                        | Production - Demand, Energy ratios Sch.4.1 L.1                                                                  |
| 6        | Other Hydraulic                       | Production - Demand, Energy ratios Sch.4.1 L.1, 2                                                               |
| 7        | <b>Subtotal Hydraulic</b>             |                                                                                                                 |
| 8        | Holyrood                              | Production - Demand, Energy ratios Sch.4.1 L.3                                                                  |
| 9        | Gas Turbines                          | Production - Demand, Energy ratios Sch.4.1 L.4                                                                  |
| 10       | Roddickton                            | Production - Demand, Energy ratios Sch.4.1 L.3                                                                  |
| 11       | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.5                                                                  |
| 12       | <b>Subtotal Production</b>            |                                                                                                                 |
|          | <b>Transmission</b>                   |                                                                                                                 |
| 13       | Lines                                 | Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr                                    |
| 14       | Lines - Hydraulic                     | Production - Demand, Energy ratios Sch.4.1 L.17                                                                 |
| 15       | Terminal Stations                     | Production - Demand, Energy subtotals, L. 12; Transmission - Demand; Spec Assigned - Custmr                     |
| 16       | Term Stns - Hydraulic                 | Production - Demand, Energy ratios Sch.4.1 L.20                                                                 |
| 17       | Term Stns - Holyrood                  | Production - Demand, Energy ratios Sch.4.1 L.21                                                                 |
| 18       | Term Stns - Gas Tur/Dsl               | Production - Demand, Energy ratios Sch.4.1 L.22, 23                                                             |
| 19       | Term Stns - Distribution              | Distribution - Substations Demand                                                                               |
| 20       | <b>Subtotal Term Stns</b>             |                                                                                                                 |
| 21       | <b>Subtotal Transmission</b>          |                                                                                                                 |
|          | <b>Distribution</b>                   |                                                                                                                 |
| 22       | Substations                           | Distribution plant other than Substations, Meters and Submarine prorated to functions based on special analysis |
| 23       | Land & Land Improvements              | Production - Demand; Dist Substns - Demand                                                                      |
| 24       | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                                      |
| 25       | Primary Conductor & Eqpt              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                                      |
| 26       | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                                 |
| 27       | Transformers                          | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                                 |
| 28       | Secondary Conductor&Eqpt              | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                                            |
| 29       | Services                              | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                                              |
| 30       | Meters                                | Services Customer                                                                                               |
| 31       | Street Lighting                       | Meters - Customer                                                                                               |
| 32       | <b>Subtotal Distribution</b>          | Street Lighting - Customer                                                                                      |
| 33       | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                                 |
| 34       | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.33                                      |
| 35       | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 12, 21                                          |
| 36       | Telecontrol - Specific                | Specifically Assigned - Customer                                                                                |
| 37       | Feasibility Studies                   | Production, Transmission - Demand                                                                               |
| 38       | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.33                                      |
| 39       | Software - Cust Acctng                | Customer Accounting                                                                                             |
| 40       | <b>Total Plant</b>                    |                                                                                                                 |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Functional Classification of Net Book Value

| 1        | 2                          | 3                 | 4                      | 5                        | 6                        | 7                        | 8                       | 9                         | 10            | 11                            | 12            | 13                          | 14            | 15                     | 16                   | 17                            | 18                       |
|----------|----------------------------|-------------------|------------------------|--------------------------|--------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|
|          |                            |                   | Production and         |                          | Rural Prod &             | Distribution             |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |
| Line No. | Description                | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) |
|          | Production Hydraulic       |                   |                        |                          |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |
| 1        | Bay D'Espoir               | 147,753,660       | 64,789,568             | 82,964,093               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 2        | Upper Salmon               | 164,268,087       | 72,031,097             | 92,236,989               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 3        | Hinds Lake                 | 74,244,931        | 32,556,195             | 41,688,736               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 4        | Cat Arm                    | 259,556,718       | 113,814,897            | 145,741,822              | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 5        | Paradise River             | 21,083,587        | 9,245,094              | 11,838,493               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 6        | Other Small Hydraulic      | 825,686           | 291,470                | 373,233                  | -                        | 160,983                  | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 7        | Subtotal Hydraulic         | 667,732,670       | 292,728,321            | 374,843,365              | -                        | 160,983                  | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 8        | Holyrood                   | 35,373,179        | 23,625,746             | 11,747,433               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 9        | Gas Turbines               | 2,633,854         | 2,633,854              | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 10       | Roddickton                 | -                 | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 11       | Diesel                     | 1,081,582         | -                      | -                        | -                        | 1,081,582                | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 12       | Subtotal Production        | 706,821,284       | 318,987,921            | 386,590,798              | -                        | 1,242,565                | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
|          | Transmission               |                   |                        |                          |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |
| 13       | Lines                      | 184,529,549       | -                      | -                        | 122,239,482              | 59,882,385               | -                       | 41,315                    | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 2,366,366                |
| 14       | Lines - Hydraulic          | 38,009,822        | 16,667,201             | 21,342,621               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 15       | Terminal Stations          | 67,802,966        | -                      | -                        | 42,336,144               | 17,089,363               | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 8,377,459                |
| 16       | Term Stns - Hydraulic      | 20,741,095        | 9,094,912              | 11,646,183               | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 17       | Term Stns - Holyrood       | 5,080,172         | 3,393,047              | 1,687,125                | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 18       | Term Stns - Gas Tur/Dsl    | 988,176           | 439,923                | -                        | -                        | 548,253                  | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 19       | Term Stns - Distribution   | 5,636,504         | -                      | -                        | -                        | -                        | 5,636,504               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 20       | Subtotal Term Stns         | 100,248,914       | 12,927,883             | 13,333,308               | 42,336,144               | 17,637,617               | 5,636,504               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 8,377,459                |
| 21       | Subtotal Transmission      | 322,788,284       | 29,595,083             | 34,675,929               | 164,575,626              | 77,520,002               | 5,636,504               | 41,315                    | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 10,743,825               |
|          | Distribution               |                   |                        |                          |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |
| 22       | Substations                | 3,984,047         | -                      | -                        | -                        | 759,364                  | 3,224,683               | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 23       | Land & Land Improvements   | 448,806           | -                      | -                        | -                        | -                        | -                       | 338,377                   | 43,108        | -                             | -             | 39,248                      | 28,073        | -                      | -                    | -                             | -                        |
| 24       | Poles                      | 27,285,430        | -                      | -                        | -                        | -                        | -                       | 15,780,474                | 5,393,020     | -                             | -             | 2,793,155                   | 3,318,781     | -                      | -                    | -                             | -                        |
| 25       | Primary Conductor & Eqpt   | 5,360,889         | -                      | -                        | -                        | -                        | -                       | 4,755,108                 | 605,780       | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 26       | Submarine Conductor        | 4,815,229         | -                      | -                        | -                        | -                        | -                       | 4,815,229                 | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 27       | Transformers               | 4,754,702         | -                      | -                        | -                        | -                        | -                       | -                         | -             | 1,716,447                     | 3,038,254     | -                           | -             | -                      | -                    | -                             | -                        |
| 28       | Secondary Conductor&Eqpt   | 878,491           | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | 512,160                     | 366,331       | -                      | -                    | -                             | -                        |
| 29       | Services                   | 1,713,373         | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | 1,713,373              | -                    | -                             | -                        |
| 30       | Meters                     | 1,144,491         | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 1,144,491            | -                             | -                        |
| 31       | Street Lighting            | 716,819           | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | 716,819                       | -                        |
| 32       | Subtotal Distribution      | 51,102,277        | -                      | -                        | -                        | 759,364                  | 3,224,683               | 25,689,189                | 6,041,908     | 1,716,447                     | 3,038,254     | 3,344,563                   | 3,713,185     | 1,713,373              | 1,144,491            | 716,819                       | -                        |
| 33       | Subttl Prod, Trans, & Dist | 1,080,711,845     | 348,583,005            | 421,266,727              | 164,575,626              | 79,521,930               | 8,861,187               | 25,730,504                | 6,041,908     | 1,716,447                     | 3,038,254     | 3,344,563                   | 3,713,185     | 1,713,373              | 1,144,491            | 716,819                       | 10,743,825               |
| 34       | General                    | 36,986,616        | 11,930,012             | 14,417,562               | 5,632,487                | 2,721,583                | 303,268                 | 880,609                   | 206,780       | 58,744                        | 103,982       | 114,465                     | 127,081       | 58,639                 | 39,169               | 24,533                        | 367,700                  |
| 35       | Telecontrol - Common       | 21,610,964        | 7,393,727              | 8,935,407                | 3,490,782                | 1,670,618                | 119,555                 | 876                       | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 36       | Telecontrol - Specific     | -                 | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 37       | Feasibility Studies        | 204,372           | 42,837                 | -                        | 161,535                  | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        |
| 38       | Software - General         | 3,331,350         | 1,074,525              | 1,298,577                | 507,313                  | 245,130                  | 27,315                  | 79,316                    | 18,624        | 5,291                         | 9,366         | 10,310                      | 11,446        | 5,282                  | 3,528                | 2,210                         | 33,118                   |
| 39       | Software - Cust Acctg      | 319,517           | -                      | -                        | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 319,517                  |
| 40       | Total Net Book Value       | 1,143,164,665     | 369,024,106            | 445,918,273              | 174,367,742              | 84,159,261               | 9,311,325               | 26,691,305                | 6,267,313     | 1,780,483                     | 3,151,602     | 3,469,339                   | 3,851,712     | 1,777,294              | 1,187,188            | 743,562                       | 11,144,643               |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected

Functional Classification of Operating & Maintenance Expense

|                  | 1                                             | 2                 | 3                      | 4                                       | 5                        | 6                                     | 7                       | 8             | 9             | 10                | 11            | 12              | 13            | 14            | 15            | 16              | 17            | 18                                  |
|------------------|-----------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.         | Description                                   | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|                  |                                               |                   |                        |                                         |                          |                                       | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|                  |                                               |                   |                        |                                         |                          |                                       |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Production       |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 1                | Hydraulic                                     | 7,303,971         | 3,197,125              | 4,093,970                               | -                        | 12,876                                | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 2                | Holyrood / Thermal                            | 14,346,977        | 9,582,346              | 4,764,631                               | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 3                | Roddickton                                    | 16,720            | 16,720                 | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 4                | Gas Turbine/Diesel                            | 1,414,180         | 1,081,603              | -                                       | -                        | 332,577                               | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5                | Subtotal Production                           | 23,081,848        | 13,877,794             | 8,858,601                               | -                        | 345,453                               | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| Transmission     |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 6                | Transmission Lines                            | 4,795,974         | 310,993                | 398,232                                 | 2,604,297                | 1,419,014                             | -                       | 1,511         | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 61,926                              |
| 7                | Terminal Stations                             | 3,615,484         | 491,684                | 476,298                                 | 1,493,242                | 544,407                               | 234,694                 | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 375,160                             |
| 8                | Subtotal Transmission                         | 8,411,458         | 802,677                | 874,530                                 | 4,097,539                | 1,963,421                             | 234,694                 | 1,511         | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 437,087                             |
| Distribution     |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 9                | Other                                         | 5,263,552         | -                      | -                                       | -                        | 66,087                                | 376,106                 | 2,715,703     | 652,880       | 141,947           | 251,258       | 369,689         | 406,778       | 232,491       | -             | 50,612          | -             | -                                   |
| 10               | Meters                                        | 187,782           | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | 187,782       | -               | -             | -                                   |
| 11               | Subtotal Distribution                         | 5,451,333         | -                      | -                                       | -                        | 66,087                                | 376,106                 | 2,715,703     | 652,880       | 141,947           | 251,258       | 369,689         | 406,778       | 232,491       | 187,782       | 50,612          | -             | -                                   |
| 12               | Subttl Prod, Trans, & Dist                    | 36,944,639        | 14,680,472             | 9,733,131                               | 4,097,539                | 2,374,960                             | 610,799                 | 2,717,214     | 652,880       | 141,947           | 251,258       | 369,689         | 406,778       | 232,491       | 187,782       | 50,612          | -             | 437,087                             |
| 13               | Customer Accounting                           | 1,878,391         | -                      | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | 1,878,391     | -                                   |
| Overheads        |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| Plant-Related:   |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 14               | Production                                    | 1,390,900         | 685,468                | 692,693                                 | -                        | 12,739                                | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 15               | Transmission                                  | 696,530           | 62,134                 | 69,451                                  | 347,224                  | 171,435                               | 15,481                  | 144           | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 30,661                              |
| 16               | Distribution                                  | 563,007           | -                      | -                                       | -                        | 6,925                                 | 39,409                  | 284,559       | 68,411        | 14,874            | 26,328        | 38,737          | 42,623        | 24,361        | 11,477        | 5,303           | -             | -                                   |
| 17               | Prod, Trans, Distn                            | 692,237           | 238,828                | 243,221                                 | 97,723                   | 52,941                                | 7,652                   | 23,834        | 5,720         | 1,244             | 2,201         | 3,239           | 3,564         | 2,037         | 960           | 443             | -             | 8,629                               |
| 18               | Telecontrol Plant                             | 3,032,316         | 1,137,556              | 1,158,478                               | 465,462                  | 249,405                               | 20,752                  | 193           | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 471                                 |
| 19               | Prod, Trans, Distn and General Plant          | 40,973            | 14,167                 | 14,427                                  | 5,801                    | 3,139                                 | 448                     | 1,371         | 329           | 72                | 127           | 186             | 205           | 117           | 55            | 25              | 8             | 496                                 |
| 20               | Prod, Trans, Distn, Excl Hydraulic & Holyrood | 1,525,032         | 170,657                | 115,542                                 | 577,657                  | 309,320                               | 45,233                  | 140,889       | 33,813        | 7,352             | 13,013        | 19,147          | 21,067        | 12,041        | 5,673         | 2,621           | -             | 51,008                              |
| 21               | Property Insurance                            | 653,830           | 283,351                | 286,112                                 | 41,488                   | 22,210                                | 9,255                   | 1,666         | 399           | 87                | 154           | 226             | 249           | 142           | 67            | 31              | -             | 8,394                               |
| Expense Related: |                                               |                   |                        |                                         |                          |                                       |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 22               | Municipal Tax                                 | 720,485           | -                      | -                                       | -                        | 8,734                                 | 49,709                  | 358,926       | 86,289        | 18,761            | 33,208        | 48,861          | 53,762        | 30,728        | 24,819        | 6,689           | -             | -                                   |
| 23               | Other Expense Related                         | 22,003,410        | 8,320,330              | 5,516,367                               | 2,322,328                | 1,346,037                             | 346,178                 | 1,540,013     | 370,027       | 80,450            | 142,404       | 209,526         | 230,546       | 131,767       | 106,428       | 28,685          | 1,064,600     | 247,724                             |
| 24               | Subtotal Overheads                            | 31,318,720        | 10,912,491             | 8,096,290                               | 3,857,683                | 2,182,885                             | 534,117                 | 2,351,594     | 564,989       | 122,838           | 217,434       | 319,921         | 352,017       | 201,193       | 149,478       | 43,799          | 1,064,609     | 347,383                             |
| 25               | Total Operating & Maintenance Expenses        | 70,141,750        | 25,592,962             | 17,829,422                              | 7,955,221                | 4,557,845                             | 1,144,916               | 5,068,808     | 1,217,869     | 264,785           | 468,692       | 689,611         | 758,795       | 433,684       | 337,260       | 94,411          | 2,943,000     | 784,470                             |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

| Line<br>No. | 1<br>Description                                      | 2<br>Basis of Functional Classification                                                                  |
|-------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|             | <b>Production</b>                                     |                                                                                                          |
| 1           | Hydraulic                                             | Prorated on Hydraulic Plant in Service - Sch.2.2 L.7                                                     |
| 2           | Holyrood / Thermal                                    | Prorated on Holyrood Plant in Service - Sch.2.2 L.8                                                      |
| 3           | Roddickton                                            | Prorated on Roddickton Plant in Service - Sch.2.2 L.10                                                   |
| 4           | Gas Turbine/Diesel                                    | Prorated on Gas Turbines & Diesel Plant in Service - Sch.2.2 L.9, 11                                     |
| 5           | <b>Subtotal Production</b>                            |                                                                                                          |
|             | <b>Transmission</b>                                   |                                                                                                          |
| 6           | Transmission Lines                                    | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.13, 14                                       |
| 7           | Terminal Stations                                     | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.20                               |
| 8           | <b>Subtotal Transmission</b>                          |                                                                                                          |
|             | <b>Distribution</b>                                   |                                                                                                          |
| 9           | Other                                                 | Production, Distribution, except Meters- ratios Sch. 4.1 L. 46                                           |
| 10          | Meters                                                | Meters - Customer                                                                                        |
| 11          | <b>Subtotal Distribution</b>                          |                                                                                                          |
| 12          | <b>Subttl Prod, Trans, &amp; Dist</b>                 |                                                                                                          |
| 13          | Customer Accounting                                   | Accounting - Customer                                                                                    |
|             | <b>Overheads</b>                                      |                                                                                                          |
|             | <b>Plant-Related:</b>                                 |                                                                                                          |
| 14          | Production                                            | Prorated on Production Plant in Service - Sch.2.2 L.12                                                   |
| 15          | Transmission                                          | Prorated on Transmission Plant in Service - Sch.2.2 L.21                                                 |
| 16          | Distribution                                          | Prorated on Distribution Plant in Service - Sch.2.2 L.32                                                 |
| 17          | Prod, Trans, Distn                                    | Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.33                                   |
| 18          | Telecontrol Plant                                     | Prorated on Telecontrol Plant in Service - Sch.2.2 L.35, 36                                              |
| 19          | Prod, Trans, Distn and<br>General Plant               | Prorated on Total Plant in Service, Sch. 2.2, L. 40                                                      |
| 20          | Prod, Trans, Distn, Excl<br>Hydraulic & Holyrood      | Prorated on Total Plant in Service, Sch. 2.2, L. 33 Less L. 7 and L. 8                                   |
| 21          | Property Insurance                                    | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.12, 20, 22, 34 - 36 |
|             | <b>Expense Related:</b>                               |                                                                                                          |
| 22          | Municipal Tax                                         | Prorated on Distribution Expenses, L. 11                                                                 |
| 23          | Other Expense Related                                 | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L. 12, 13             |
| 24          | <b>Subtotal Overheads</b>                             |                                                                                                          |
| 25          | <b>Total Operating &amp; Maintenance<br/>Expenses</b> |                                                                                                          |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Functional Classification of Depreciation Expense

|              | 1                          | 2          | 3          | 4              | 5            | 6            | 7            | 8             | 9        | 10                | 11       | 12              | 13       | 14       | 15       | 16              | 17         | 18       |              |
|--------------|----------------------------|------------|------------|----------------|--------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|--------------|
|              |                            |            |            | Production and |              | Rural Prod & | Distribution |               |          |                   |          |                 |          |          |          |                 |            |          | Specifically |
| Line         |                            | Total      | Production | Transmission   | Transmission | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |              |
| No.          | Description                | Amount     | Demand     | Energy         | Demand       | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |              |
|              |                            | (\$)       | (\$)       | (\$)           | (\$)         | (\$)         | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |              |
| Production   |                            |            |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| Hydraulic    |                            |            |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 1            | Bay D'Espoir               | 1,393,381  | 610,994    | 782,387        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 2            | Upper Salmon               | 704,016    | 308,709    | 395,307        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 3            | Hinds Lake                 | 348,192    | 152,681    | 195,511        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 4            | Cat Arm                    | 652,358    | 286,057    | 366,301        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 5            | Paradise River             | 82,072     | 35,988     | 46,084         | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 6            | Other Small Hydraulic      | 26,458     | 9,277      | 11,880         | -            | 5,301        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 7            | Subtotal Hydraulic         | 3,206,477  | 1,403,707  | 1,797,469      | -            | 5,301        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 8            | Holyrood                   | 1,959,560  | 1,308,790  | 650,770        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 9            | Gas Turbines               | 145,196    | 145,196    | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 10           | Roddickton                 | -          | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 11           | Diesel                     | 144,438    | -          | -              | -            | 144,438      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 12           | Subtotal Production        | 5,455,671  | 2,857,693  | 2,448,239      | -            | 149,739      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| Transmission |                            |            |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 13           | Lines                      | 3,476,661  | -          | -              | 2,139,187    | 1,174,030    | -            | 7,021         | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 156,423  |              |
| 14           | Lines - Hydraulic          | 179,171    | 78,566     | 100,605        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 15           | Terminal Stations          | 2,415,843  | (0)        | (0)            | 1,822,288    | 175,904      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 417,650  |              |
| 16           | Term Sns - Hydraulic       | 696,589    | 305,453    | 391,137        | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 17           | Term Sns - Holyrood        | 276,817    | 184,886    | 91,931         | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 18           | Term Sns - Gas Tur/Dsl     | 10,890     | 8,483      | -              | -            | 2,407        | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 19           | Term Sns - Distribution    | 123,813    | -          | -              | -            | -            | 123,813      | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 20           | Subtotal Term Sns          | 3,523,952  | 498,821    | 483,068        | 1,822,288    | 178,312      | 123,813      | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 417,650  |              |
| 21           | Subtotal Transmission      | 7,179,784  | 577,387    | 583,673        | 3,961,476    | 1,352,342    | 123,813      | 7,021         | -        | -                 | -        | -               | -        | -        | -        | -               | -          | 574,073  |              |
| Distribution |                            |            |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 22           | Substations                | 233,563    | -          | -              | -            | 37,834       | 195,729      | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 23           | Land & Land Improvements   | 20,671     | -          | -              | -            | -            | -            | 15,585        | 1,985    | -                 | -        | 1,808           | 1,293    | -        | -        | -               | -          | -        |              |
| 24           | Poles                      | 1,371,959  | -          | -              | -            | -            | -            | 793,470       | 271,170  | -                 | -        | 140,445         | 166,874  | -        | -        | -               | -          | -        |              |
| 25           | Primary Conductor & Eqpt   | 282,711    | -          | -              | -            | -            | -            | 250,765       | 31,946   | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 26           | Submarine Conductor        | 273,268    | -          | -              | -            | -            | -            | 273,268       | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 27           | Transformers               | 196,065    | -          | -              | -            | -            | -            | -             | -        | 70,779            | 125,285  | -               | -        | -        | -        | -               | -          | -        |              |
| 28           | Secondary Conductor&Eqpt   | 48,648     | -          | -              | -            | -            | -            | -             | -        | -                 | -        | 28,362          | 20,286   | -        | -        | -               | -          | -        |              |
| 29           | Services                   | 79,921     | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | 79,921   | -        | -               | -          | -        |              |
| 30           | Meters                     | 55,837     | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | 55,837   | -               | -          | -        |              |
| 31           | Street Lighting            | 27,901     | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | 27,901          | -          | -        |              |
| 32           | Subtotal Distribution      | 2,590,544  | -          | -              | -            | 37,834       | 195,729      | 1,333,088     | 305,102  | 70,779            | 125,285  | 170,614         | 188,453  | 79,921   | 55,837   | 27,901          | -          | -        |              |
| 33           | Subttl Prod, Trans, & Dist | 15,225,998 | 3,435,080  | 3,031,912      | 3,961,476    | 1,539,914    | 319,542      | 1,340,109     | 305,102  | 70,779            | 125,285  | 170,614         | 188,453  | 79,921   | 55,837   | 27,901          | -          | 574,073  |              |
| 34           | General                    | 5,311,509  | 1,198,310  | 1,057,666      | 1,381,940    | 537,191      | 111,470      | 467,490       | 106,433  | 24,691            | 43,705   | 59,518          | 65,741   | 27,880   | 19,478   | 9,733           | -          | 200,262  |              |
| 35           | Telecontrol - Common       | 3,085,157  | 878,652    | 775,527        | 1,013,298    | 384,214      | 31,670       | 1,796         | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 36           | Telecontrol - Specific     | -          | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 37           | Feasibility Studies        | 89,263     | 50,413     | -              | 38,850       | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 38           | Software - General         | 1,404,269  | 316,812    | 279,628        | 365,360      | 142,024      | 29,471       | 123,596       | 28,139   | 6,528             | 11,555   | 15,735          | 17,381   | 7,371    | 5,150    | 2,573           | -          | 52,946   |              |
| 39           | Software - Cust Acctng     | 213,011    | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | 213,011    | -        |              |
| 40           | Total Deprecn Expense      | 25,329,207 | 5,879,267  | 5,144,733      | 6,760,924    | 2,603,343    | 492,153      | 1,932,991     | 439,675  | 101,998           | 180,545  | 245,867         | 271,575  | 115,172  | 80,465   | 40,207          | 213,011    | 827,281  |              |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Functional Classification of Rate Base

|          | 1                                                                  | 2                 | 3                      | 4                                       | 5                        | 6                                     | 7                       | 8             | 9             | 10                | 11            | 12              | 13            | 14                     | 15                   | 16                            | 17        | 18                       |                                     |
|----------|--------------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|------------------------|----------------------|-------------------------------|-----------|--------------------------|-------------------------------------|
| Line No. | Description                                                        | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |                        |                      |                               |           | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          |                                                                    |                   |                        |                                         |                          |                                       | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) |           |                          |                                     |
|          |                                                                    |                   |                        |                                         |                          |                                       |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) |                        |                      |                               |           |                          |                                     |
| 1        | Average Net Book Value                                             | 1,143,164,665     | 369,024,106            | 445,918,273                             | 174,367,742              | 84,159,261                            | 9,311,325               | 26,691,305    | 6,267,313     | 1,780,483         | 3,151,602     | 3,469,339       | 3,851,712     | 1,777,294              | 1,187,188            | 743,562                       | 319,517   | 11,144,643               |                                     |
| 2        | Cash Working Capital                                               | 3,327,994         | 1,074,307              | 1,298,162                               | 507,621                  | 245,005                               | 27,107                  | 77,704        | 18,245        | 5,183             | 9,175         | 10,100          | 11,213        | 5,174                  | 3,456                | 2,165                         | 930       | 32,444                   |                                     |
| 3        | Fuel Inventory - No. 6 Fuel                                        | 14,775,997        | -                      | 14,775,997                              | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 4        | Fuel Inventory - Diesel                                            | 52,714            | -                      | -                                       | -                        | 52,714                                | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 5        | Fuel Inventory - Gas Turbine                                       | 644,683           | 644,683                | -                                       | -                        | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | -                        |                                     |
| 6        | Inventory/Supplies                                                 | 18,197,949        | 6,292,300              | 6,407,522                               | 2,576,334                | 1,394,244                             | 198,941                 | 608,754       | 146,093       | 31,763            | 56,223        | 82,724          | 91,023        | 52,024                 | 24,510               | 11,325                        | 3,705     | 220,465                  |                                     |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and<br>Regulatory Costs | 79,505,201        | 25,665,013             | 31,012,874                              | 12,126,986               | 5,853,137                             | 647,587                 | 1,856,336     | 435,881       | 123,830           | 219,189       | 241,287         | 267,880       | 123,608                | 82,567               | 51,713                        | 22,222    | 775,091                  |                                     |
| 8        | Total Rate Base                                                    | 1,259,669,203     | 402,700,409            | 499,412,829                             | 189,578,684              | 91,704,361                            | 10,184,960              | 29,234,098    | 6,867,532     | 1,941,259         | 3,436,189     | 3,803,449       | 4,221,829     | 1,958,100              | 1,297,722            | 808,765                       | 346,374   | 12,172,644               |                                     |
| 9        | Less: Rural Asset Portion                                          | (155,804,637)     | -                      | -                                       | -                        | (91,704,361)                          | (10,184,960)            | (29,234,098)  | (6,867,532)   | (1,941,259)       | (3,436,189)   | (3,803,449)     | (4,221,829)   | (1,958,100)            | (1,297,722)          | (808,765)                     | (346,374) | -                        |                                     |
| 10       | Rate Base Available for Equity Return                              | 1,103,864,565     | 402,700,409            | 499,412,829                             | 189,578,684              | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | 12,172,644               |                                     |
| 11       | Return on Debt                                                     | 84,500,802        | 27,013,844             | 33,501,482                              | 12,717,268               | 6,151,688                             | 683,225                 | 1,961,074     | 460,686       | 130,223           | 230,506       | 255,142         | 283,208       | 131,353                | 87,053               | 54,253                        | 23,235    | 816,562                  |                                     |
| 12       | Return on Equity                                                   | 6,812,370         | 2,485,218              | 3,082,067                               | 1,169,962                | -                                     | -                       | -             | -             | -                 | -             | -               | -             | -                      | -                    | -                             | -         | 75,122                   |                                     |
| 13       | Return on Rate Base                                                | 91,313,172        | 29,499,062             | 36,583,549                              | 13,887,230               | 6,151,688                             | 683,225                 | 1,961,074     | 460,686       | 130,223           | 230,506       | 255,142         | 283,208       | 131,353                | 87,053               | 54,253                        | 23,235    | 891,684                  |                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 40                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Demand, Energy ratios Sch.4.1 L.10     |
| 4           | Fuel Inventory - Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L.12     |
| 5           | Fuel Inventory - Gas Turbine                                       | Production - Demand, Energy ratios Sch.4.1 L.11     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 40 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and<br>Regulatory Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Asset Portion                                          | Rural Transmission and Distribution Rate Base       |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.1,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch. 1.1,p2,L.16                             |
| 13          | Return on Rate Base                                                |                                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Basis of Allocation to Classes of Service**

| 1                                        | 2               | 3                    | 4              | 5                      | 6            | 7            | 8             | 9            | 10                | 11           | 12              | 13           | 14               | 15       | 16              | 17           | 18           |
|------------------------------------------|-----------------|----------------------|----------------|------------------------|--------------|--------------|---------------|--------------|-------------------|--------------|-----------------|--------------|------------------|----------|-----------------|--------------|--------------|
| Line<br>No. Description                  | Total<br>Amount | Production<br>Demand | Production and | Transmission<br>Demand | Rural Prod & | Distribution |               |              |                   |              |                 |              |                  |          |                 |              |              |
|                                          |                 |                      | Transmission   |                        | Transmission | Substations  | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services         | Meters   | Street Lighting | Accounting   | Specifically |
|                                          |                 |                      | Energy         |                        | Demand       |              | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     | Customer         | Customer | Customer        | Customer     | Assigned     |
|                                          |                 | (1 CP kW)            | (MWh @ Gen)    | (CP kW)                | (CP kW)      | (CP kW)      | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wtd Rural Cust) |          |                 | (Rural Cust) |              |
| <b>Amounts</b>                           |                 |                      |                |                        |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 1 Newfoundland Power                     | -               | 1,085,031            | 4,692,154      | 1,047,534              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 2 Industrial - Firm                      | -               | 150,277              | 1,354,884      | 145,084                | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 3 Industrial - Non-Firm                  | -               | -                    | 13,028         | -                      | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| <b>Rural</b>                             |                 |                      |                |                        |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 4 1.1 Domestic                           | -               | 27,299               | 124,899        | 26,356                 | 26,356       | 26,191       | 24,305        | 12,264       | 23,940            | 12,264       | 22,977          | 12,264       | 12,264           | 12,264   | -               | 12,264       | -            |
| 5 1.12 Domestic All Electric             | -               | 33,214               | 125,519        | 32,066                 | 32,066       | 31,866       | 29,572        | 6,720        | 29,127            | 6,720        | 27,955          | 6,720        | 6,720            | 6,720    | -               | 6,720        | -            |
| 6 1.3 Special                            | -               | 70                   | 273            | 68                     | 68           | 67           | 63            | 2            | 62                | 2            | 59              | 2            | 2                | 2        | -               | 2            | -            |
| 7 2.1 GS 0-10 kW                         | -               | 3,425                | 17,389         | 3,306                  | 3,306        | 3,286        | 3,049         | 1,897        | 3,003             | 1,897        | 2,882           | 1,897        | 3,794            | 3,794    | -               | 1,897        | -            |
| 8 2.2 GS 10-100 kW                       | -               | 9,518                | 68,034         | 9,189                  | 9,189        | 9,132        | 8,474         | 862          | 8,347             | 862          | 8,011           | 862          | 6,956            | 6,956    | -               | 862          | -            |
| 9 2.3 GS 110-1,000 kVa                   | -               | 4,236                | 47,526         | 4,090                  | 4,090        | 4,064        | 3,771         | 66           | 3,051             | 66           | 2,928           | 66           | 564              | 606      | -               | 71           | -            |
| 10 2.4 GS Over 1,000 kVa                 | -               | 2,060                | 25,553         | 1,988                  | 1,988        | 1,976        | 1,834         | 6            | 983               | 6            | 944             | 6            | 26               | 51       | -               | 6            | -            |
| 11 4.1 Street and Area Lighting          | -               | 763                  | 3,309          | 736                    | 736          | 732          | 679           | 1,005        | 669               | 1,005        | 642             | 1,005        | -                | -        | 1               | 1,005        | -            |
| 12 Subtotal Rural                        | -               | 80,585               | 412,502        | 77,800                 | 77,800       | 77,313       | 71,747        | 22,821       | 69,181            | 22,821       | 66,398          | 22,821       | 30,324           | 30,393   | 1               | 22,826       | -            |
| 13 Total                                 | -               | 1,315,893            | 6,472,568      | 1,270,418              | 77,800       | 77,313       | 71,747        | 22,821       | 69,181            | 22,821       | 66,398          | 22,821       | 30,324           | 30,393   | 1               | 22,826       | -            |
| <b>Ratios Excluding Return on Equity</b> |                 |                      |                |                        |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 14 Newfoundland Power                    | -               | 0.8246               | 0.7249         | 0.8246                 | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 15 Industrial - Firm                     | -               | 0.1142               | 0.2093         | 0.1142                 | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 16 Industrial - Non-Firm                 | -               | -                    | 0.0020         | -                      | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| <b>Rural</b>                             |                 |                      |                |                        |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 17 1.1 Domestic                          | -               | 0.0207               | 0.0193         | 0.0207                 | 0.3388       | 0.3388       | 0.3388        | 0.5374       | 0.3460            | 0.5374       | 0.3460          | 0.5374       | 0.4044           | 0.4035   | -               | 0.5373       | -            |
| 18 1.12 Domestic All Electric            | -               | 0.0252               | 0.0194         | 0.0252                 | 0.4122       | 0.4122       | 0.4122        | 0.2944       | 0.4210            | 0.2944       | 0.4210          | 0.2944       | 0.2216           | 0.2211   | -               | 0.2944       | -            |
| 19 1.3 Special                           | -               | 0.0001               | 0.0000         | 0.0001                 | 0.0009       | 0.0009       | 0.0009        | 0.0001       | 0.0009            | 0.0001       | 0.0009          | 0.0001       | 0.0001           | 0.0001   | -               | 0.0001       | -            |
| 20 2.1 GS 0-10 kW                        | -               | 0.0026               | 0.0027         | 0.0026                 | 0.0425       | 0.0425       | 0.0425        | 0.0831       | 0.0434            | 0.0831       | 0.0434          | 0.0831       | 0.1251           | 0.1248   | -               | 0.0831       | -            |
| 21 2.2 GS 10-100 kW                      | -               | 0.0072               | 0.0105         | 0.0072                 | 0.1181       | 0.1181       | 0.1181        | 0.0378       | 0.1207            | 0.0378       | 0.1207          | 0.0378       | 0.2294           | 0.2289   | -               | 0.0378       | -            |
| 22 2.3 GS 110-1,000 kVa                  | -               | 0.0032               | 0.0073         | 0.0032                 | 0.0526       | 0.0526       | 0.0526        | 0.0029       | 0.0441            | 0.0029       | 0.0441          | 0.0029       | 0.0186           | 0.0200   | -               | 0.0031       | -            |
| 23 2.4 GS Over 1,000 kVa                 | -               | 0.0016               | 0.0039         | 0.0016                 | 0.0256       | 0.0256       | 0.0256        | 0.0003       | 0.0142            | 0.0003       | 0.0142          | 0.0003       | 0.0008           | 0.0017   | -               | 0.0003       | -            |
| 24 4.1 Street and Area Lighting          | -               | 0.0006               | 0.0005         | 0.0006                 | 0.0095       | 0.0095       | 0.0095        | 0.0440       | 0.0097            | 0.0440       | 0.0097          | 0.0440       | -                | -        | 1.0000          | 0.0440       | -            |
| 25 Subtotal Rural                        | -               | 0.0612               | 0.0637         | 0.0612                 | 1.0000       | 1.0000       | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000   | 1.0000          | 1.0000       | -            |
| 26 Total                                 | -               | 1.0000               | 1.0000         | 1.0000                 | 1.0000       | 1.0000       | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000   | 1.0000          | 1.0000       | -            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Allocation of Functionalized Amounts to Classes of Service**

|                                                | 1                            | 2                       | 3                            | 4                                                | 5                              | 6                                              | 7                             | 8              | 9                | 10                | 11               | 12              | 13               | 14                           | 15                         | 16                                  | 17        | 18                             |                              |              |
|------------------------------------------------|------------------------------|-------------------------|------------------------------|--------------------------------------------------|--------------------------------|------------------------------------------------|-------------------------------|----------------|------------------|-------------------|------------------|-----------------|------------------|------------------------------|----------------------------|-------------------------------------|-----------|--------------------------------|------------------------------|--------------|
| Line<br>No.                                    | Description                  | Total<br>Amount<br>(\$) | Production<br>Demand<br>(\$) | Production and<br>Transmission<br>Energy<br>(\$) | Transmission<br>Demand<br>(\$) | Rural Prod &<br>Transmission<br>Demand<br>(\$) | Distribution                  |                |                  |                   |                  |                 |                  |                              |                            |                                     |           | Accounting<br>Customer<br>(\$) | Assigned<br>Customer<br>(\$) | Specifically |
|                                                |                              |                         |                              |                                                  |                                |                                                | Substations<br>Demand<br>(\$) | Primary Lines  |                  | Line Transformers |                  | Secondary Lines |                  | Services<br>Customer<br>(\$) | Meters<br>Customer<br>(\$) | Street Lighting<br>Customer<br>(\$) |           |                                |                              |              |
|                                                |                              |                         |                              |                                                  |                                |                                                |                               | Demand<br>(\$) | Customer<br>(\$) | Demand<br>(\$)    | Customer<br>(\$) | Demand<br>(\$)  | Customer<br>(\$) |                              |                            |                                     |           |                                |                              |              |
| Allocated Revenue Requirement Excluding Return |                              |                         |                              |                                                  |                                |                                                |                               |                |                  |                   |                  |                 |                  |                              |                            |                                     |           |                                |                              |              |
| 1                                              | Newfoundland Power           | 148,034,025             | 31,285,538                   | 103,502,380                                      | 11,966,600                     | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | 1,279,507                      |                              |              |
| 2                                              | Industrial - Firm            | 36,221,227              | 4,333,063                    | 29,886,852                                       | 1,657,380                      | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | 343,932                        |                              |              |
| 3                                              | Industrial - Non-Firm        | 287,372                 | -                            | 287,372                                          | -                              | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | -                              |                              |              |
| Rural                                          |                              |                         |                              |                                                  |                                |                                                |                               |                |                  |                   |                  |                 |                  |                              |                            |                                     |           |                                |                              |              |
| 4                                              | 1.1 Domestic                 | 13,440,800              | 787,135                      | 2,755,091                                        | 301,076                        | 2,629,952                                      | 556,812                       | 2,250,206      | 824,230          | 127,258           | 349,813          | 301,518         | 512,740          | 221,915                      | 147,821                    | -                                   | 1,675,234 | -                              |                              |              |
| 5                                              | 1.12 Domestic All Electric   | 13,274,213              | 957,694                      | 2,768,774                                        | 366,314                        | 3,199,821                                      | 677,464                       | 2,737,790      | 451,605          | 154,833           | 191,667          | 366,852         | 280,936          | 121,590                      | 80,993                     | -                                   | 917,881   | -                              |                              |              |
| 6                                              | 1.3 Special                  | 24,541                  | 2,028                        | 6,014                                            | 776                            | 6,777                                          | 1,435                         | 5,798          | 134              | 328               | 57               | 777             | 84               | 36                           | 24                         | -                                   | 273       | -                              |                              |              |
| 7                                              | 2.1 GS 0-10 kW               | 1,890,420               | 98,748                       | 383,570                                          | 37,771                         | 329,935                                        | 69,854                        | 282,295        | 127,499          | 15,965            | 54,112           | 37,826          | 79,315           | 68,656                       | 45,733                     | -                                   | 259,141   | -                              |                              |              |
| 8                                              | 2.2 GS 10-100 kW             | 4,371,247               | 274,442                      | 1,500,745                                        | 104,973                        | 916,957                                        | 194,138                       | 784,555        | 57,917           | 44,370            | 24,581           | 105,127         | 36,029           | 125,861                      | 83,838                     | -                                   | 117,715   | -                              |                              |              |
| 9                                              | 2.3 GS 110-1,000 kVa         | 2,151,722               | 122,139                      | 1,048,360                                        | 46,718                         | 408,089                                        | 86,400                        | 349,163        | 4,419            | 16,216            | 1,875            | 38,421          | 2,749            | 10,198                       | 7,310                      | -                                   | 9,664     | -                              |                              |              |
| 10                                             | 2.4 GS Over 1,000 kVa        | 1,076,314               | 59,387                       | 563,672                                          | 22,715                         | 198,422                                        | 42,010                        | 169,771        | 403              | 5,226             | 171              | 12,382          | 251              | 465                          | 620                        | -                                   | 820       | -                              |                              |              |
| 11                                             | 4.1 Street and Area Lighting | 678,010                 | 21,993                       | 73,001                                           | 8,412                          | 73,484                                         | 15,558                        | 62,873         | 67,561           | 3,556             | 28,674           | 8,425           | 42,029           | -                            | -                          | 135,127                             | 137,317   | -                              |                              |              |
| 12                                             | Subtotal Rural               | 36,907,266              | 2,323,566                    | 9,099,226                                        | 888,755                        | 7,763,436                                      | 1,643,669                     | 6,642,451      | 1,533,769        | 367,751           | 650,951          | 871,327         | 954,132          | 548,721                      | 366,339                    | 135,127                             | 3,118,045 | -                              |                              |              |
| 13                                             | Total                        | 221,449,891             | 37,942,168                   | 142,775,831                                      | 14,512,736                     | 7,763,436                                      | 1,643,669                     | 6,642,451      | 1,533,769        | 367,751           | 650,951          | 871,327         | 954,132          | 548,721                      | 366,339                    | 135,127                             | 3,118,045 | 1,623,439                      |                              |              |
| Allocated Return on Debt                       |                              |                         |                              |                                                  |                                |                                                |                               |                |                  |                   |                  |                 |                  |                              |                            |                                     |           |                                |                              |              |
| 14                                             | Newfoundland Power           | 57,722,620              | 22,274,496                   | 24,286,205                                       | 10,486,132                     | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | 675,788                        |                              |              |
| 15                                             | Industrial - Firm            | 11,690,907              | 3,085,029                    | 7,012,768                                        | 1,452,335                      | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | 140,775                        |                              |              |
| 16                                             | Industrial - Non-Firm        | 67,430                  | -                            | 67,430                                           | -                              | -                                              | -                             | -              | -                | -                 | -                | -               | -                | -                            | -                          | -                                   | -         | -                              |                              |              |
| Rural                                          |                              |                         |                              |                                                  |                                |                                                |                               |                |                  |                   |                  |                 |                  |                              |                            |                                     |           |                                |                              |              |
| 17                                             | 1.1 Domestic                 | 5,208,170               | 560,419                      | 646,465                                          | 263,828                        | 2,083,954                                      | 231,450                       | 664,336        | 247,567          | 45,063            | 123,871          | 88,290          | 152,193          | 53,122                       | 35,127                     | -                                   | 12,484    | -                              |                              |              |
| 18                                             | 1.12 Domestic All Electric   | 5,782,273               | 681,853                      | 649,676                                          | 320,995                        | 2,535,514                                      | 281,602                       | 808,287        | 135,645          | 54,827            | 67,870           | 107,421         | 83,388           | 29,106                       | 19,246                     | -                                   | 6,840     | -                              |                              |              |
| 19                                             | 1.3 Special                  | 11,658                  | 1,444                        | 1,411                                            | 680                            | 5,370                                          | 596                           | 1,712          | 40               | 116               | 20               | 227             | 25               | 9                            | 6                          | -                                   | 2         | -                              |                              |              |
| 20                                             | 2.1 GS 0-10 kW               | 694,187                 | 70,306                       | 90,002                                           | 33,098                         | 261,438                                        | 29,036                        | 83,343         | 38,296           | 5,653             | 19,162           | 11,076          | 23,543           | 16,435                       | 10,868                     | -                                   | 1,931     | -                              |                              |              |
| 21                                             | 2.2 GS 10-100 kW             | 1,812,654               | 195,395                      | 352,141                                          | 91,986                         | 726,590                                        | 80,697                        | 231,627        | 17,396           | 15,712            | 8,704            | 30,783          | 10,694           | 30,129                       | 19,923                     | -                                   | 877       | -                              |                              |              |
| 22                                             | 2.3 GS 110-1,000 kVa         | 860,305                 | 86,960                       | 245,991                                          | 40,938                         | 323,366                                        | 35,914                        | 103,085        | 1,327            | 5,742             | 664              | 11,250          | 816              | 2,441                        | 1,737                      | -                                   | 72        | -                              |                              |              |
| 23                                             | 2.4 GS Over 1,000 kVa        | 425,258                 | 42,282                       | 132,262                                          | 19,905                         | 157,228                                        | 17,462                        | 50,122         | 121              | 1,851             | 61               | 3,626           | 74               | 111                          | 147                        | -                                   | 6         | -                              |                              |              |
| 24                                             | 4.1 Street and Area Lighting | 225,341                 | 15,659                       | 17,129                                           | 7,372                          | 58,228                                         | 6,467                         | 18,562         | 20,293           | 1,259             | 10,154           | 2,467           | 12,475           | -                            | -                          | 54,253                              | 1,023     | -                              |                              |              |
| 25                                             | Subtotal Rural               | 15,019,845              | 1,654,319                    | 2,135,078                                        | 778,802                        | 6,151,688                                      | 683,225                       | 1,961,074      | 460,686          | 130,223           | 230,506          | 255,142         | 283,208          | 131,353                      | 87,053                     | 54,253                              | 23,235    | -                              |                              |              |
| 26                                             | Total                        | 84,500,802              | 27,013,844                   | 33,501,482                                       | 12,717,268                     | 6,151,688                                      | 683,225                       | 1,961,074      | 460,686          | 130,223           | 230,506          | 255,142         | 283,208          | 131,353                      | 87,053                     | 54,253                              | 23,235    | 816,562                        |                              |              |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Interconnected  
Allocation of Functionalized Amounts to Classes of Service

|                                     | 1                            | 2                 | 3                      | 4                                       | 5                        | 6                                     | 7                       | 8                         | 9             | 10                            | 11            | 12                          | 13            | 14                     | 15                   | 16                            | 17                       | 18                                  |
|-------------------------------------|------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|---------------------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
| Line No.                            | Description                  | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Rural Prod & Transmission Demand (\$) | Substations Demand (\$) | Distribution              |               |                               |               |                             |               |                        |                      |                               |                          | Specifically Assigned Customer (\$) |
|                                     |                              |                   |                        |                                         |                          |                                       |                         | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) |                                     |
| Allocated Return on Equity          |                              |                   |                        |                                         |                          |                                       |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 27                                  | Newfoundland Power           | 5,310,362         | 2,049,208              | 2,234,281                               | 964,703                  | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 62,171                              |
| 28                                  | Industrial - Firm            | 1,075,539         | 283,816                | 645,160                                 | 133,612                  | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 12,951                              |
| 29                                  | Industrial - Non-Firm        | 6,203             | -                      | 6,203                                   | -                        | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| Rural                               |                              |                   |                        |                                         |                          |                                       |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 30                                  | 1.1 Domestic                 | 135,303           | 51,557                 | 59,473                                  | 24,272                   | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 31                                  | 1.12 Domestic All Electric   | 152,029           | 62,729                 | 59,769                                  | 29,531                   | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 32                                  | 1.3 Special                  | 325               | 133                    | 130                                     | 63                       | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 33                                  | 2.1 GS 0-10 kW               | 17,793            | 6,468                  | 8,280                                   | 3,045                    | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 34                                  | 2.2 GS 10-100 kW             | 58,835            | 17,976                 | 32,396                                  | 8,463                    | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 35                                  | 2.3 GS 110-1,000 kVa         | 34,397            | 8,000                  | 22,631                                  | 3,766                    | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 36                                  | 2.4 GS Over 1,000 kVa        | 17,889            | 3,890                  | 12,168                                  | 1,831                    | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 37                                  | 4.1 Street and Area Lighting | 3,695             | 1,441                  | 1,576                                   | 678                      | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 38                                  | Subtotal Rural               | 420,265           | 152,194                | 196,423                                 | 71,648                   | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 39                                  | Total                        | 6,812,370         | 2,485,218              | 3,082,067                               | 1,169,962                | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 75,122                              |
| Total Allocated Revenue Requirement |                              |                   |                        |                                         |                          |                                       |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 40                                  | Newfoundland Power           | 211,067,007       | 55,609,242             | 130,022,865                             | 23,417,434               | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 2,017,466                           |
| 41                                  | Industrial - Firm            | 48,987,674        | 7,701,909              | 37,544,781                              | 3,243,327                | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | 497,657                             |
| 42                                  | Industrial - Non-Firm        | 361,006           | -                      | 361,006                                 | -                        | -                                     | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| Rural                               |                              |                   |                        |                                         |                          |                                       |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 43                                  | 1.1 Domestic                 | 18,784,272        | 1,399,111              | 3,461,029                               | 589,175                  | 4,713,906                             | 788,262                 | 2,914,542                 | 1,071,797     | 172,321                       | 473,684       | 389,808                     | 664,932       | 275,037                | 182,948              | -                             | 1,687,718                | -                                   |
| 44                                  | 1.12 Domestic All Electric   | 19,208,515        | 1,702,277              | 3,478,218                               | 716,840                  | 5,735,335                             | 959,066                 | 3,546,077                 | 587,250       | 209,660                       | 259,537       | 474,273                     | 364,324       | 150,696                | 100,239              | -                             | 924,721                  | -                                   |
| 45                                  | 1.3 Special                  | 36,524            | 3,605                  | 7,555                                   | 1,518                    | 12,146                                | 2,031                   | 7,510                     | 175           | 444                           | 77            | 1,004                       | 108           | 45                     | 30                   | -                             | 275                      | -                                   |
| 46                                  | 2.1 GS 0-10 kW               | 2,602,400         | 175,523                | 481,852                                 | 73,914                   | 591,373                               | 98,890                  | 365,638                   | 165,795       | 21,618                        | 73,274        | 48,903                      | 102,858       | 85,090                 | 56,600               | -                             | 261,072                  | -                                   |
| 47                                  | 2.2 GS 10-100 kW             | 6,242,736         | 487,813                | 1,885,282                               | 205,422                  | 1,643,547                             | 274,835                 | 1,016,182                 | 75,313        | 60,081                        | 33,285        | 135,910                     | 46,723        | 155,990                | 103,761              | -                             | 118,592                  | -                                   |
| 48                                  | 2.3 GS 110-1,000 kVa         | 3,046,424         | 217,100                | 1,316,983                               | 91,422                   | 731,455                               | 122,314                 | 452,248                   | 5,746         | 21,958                        | 2,540         | 49,672                      | 3,565         | 12,639                 | 9,047                | -                             | 9,736                    | -                                   |
| 49                                  | 2.4 GS Over 1,000 kVa        | 1,519,461         | 105,559                | 708,101                                 | 44,451                   | 355,649                               | 59,472                  | 219,893                   | 524           | 7,077                         | 232           | 16,008                      | 325           | 577                    | 767                  | -                             | 826                      | -                                   |
| 50                                  | 4.1 Street and Area Lighting | 907,045           | 39,093                 | 91,707                                  | 16,462                   | 131,712                               | 22,025                  | 81,435                    | 87,854        | 4,815                         | 38,827        | 10,892                      | 54,504        | -                      | -                    | 189,381                       | 138,340                  | -                                   |
| 51                                  | Subtotal Rural               | 52,347,377        | 4,130,080              | 11,430,727                              | 1,739,205                | 13,915,124                            | 2,326,894               | 8,603,526                 | 1,994,455     | 497,974                       | 881,456       | 1,126,469                   | 1,237,340     | 680,073                | 453,392              | 189,381                       | 3,141,280                | -                                   |
| 52                                  | Total                        | 312,763,063       | 67,441,230             | 179,359,380                             | 28,399,966               | 13,915,124                            | 2,326,894               | 8,603,526                 | 1,994,455     | 497,974                       | 881,456       | 1,126,469                   | 1,237,340     | 680,073                | 453,392              | 189,381                       | 3,141,280                | 2,515,123                           |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Interconnected**  
**Allocation of Specifically Assigned Amounts to Classes of Service**

|                               | 1                               | 2                 | 3                     | 4                         | 5                         | 6                      | 7                     | 8                         | 9                                 | 10              | 11                     | 12                      | 13         | 14                   | 15                 | 16                   |
|-------------------------------|---------------------------------|-------------------|-----------------------|---------------------------|---------------------------|------------------------|-----------------------|---------------------------|-----------------------------------|-----------------|------------------------|-------------------------|------------|----------------------|--------------------|----------------------|
|                               |                                 |                   | OM&A                  |                           |                           |                        | Depreciation          |                           |                                   | Expense Credits |                        |                         | Subtotal   |                      |                    |                      |
| Line                          |                                 |                   | Transmission          | Administrative &          |                           |                        | Transmission          | Telecontrol &             |                                   | Rental          |                        | Gains/Losses            | Excluding  | Return on            | Return on          |                      |
| No.                           | Description                     | Total Amount (\$) | Lines (\$)<br>(Plant) | Terminals (\$)<br>(Plant) | General (\$)<br>(C2 & C3) | Other (\$)<br>(Direct) | Lines (\$)<br>(Plant) | Terminals (\$)<br>(Plant) | Feasibility Study (\$)<br>(Plant) | General (\$)    | Income (\$)<br>(Plant) | Other (\$)<br>(C4 + C5) | (NBV)      | Return (\$)<br>(NBV) | Debt (\$)<br>(NBV) | Equity (\$)<br>(NBV) |
| Basis of Allocation - Amounts |                                 |                   |                       |                           |                           |                        |                       |                           |                                   |                 |                        |                         |            |                      |                    |                      |
| 1                             | Newfoundland Power Industrial   |                   | 3,296,636             | 9,486,178                 | 12,782,815                | -                      | -                     | -                         | -                                 | 495,593         | 9,486,178              | 12,782,815              | 8,891,599  | -                    | 8,891,599          | 8,891,599            |
| 2                             | Abitibi Consolidated - S'ville  |                   | 122,926               | 489,197                   | 612,123                   | -                      | -                     | -                         | -                                 | 13,818          | 489,197                | 612,123                 | 507,734    | -                    | 507,734            | 507,734              |
| 3                             | Abitibi Consolidated - GF       |                   | 23,765                | 1,310,004                 | 1,333,769                 | -                      | -                     | -                         | -                                 | 16,373          | 1,310,004              | 1,333,769               | 165,635    | -                    | 165,635            | 165,635              |
| 4                             | Corner Brook P & P - CB         |                   | -                     | 1,847,112                 | 1,847,112                 | -                      | -                     | -                         | -                                 | 9,099           | 1,847,112              | 1,847,112               | 310,279    | -                    | 310,279            | 310,279              |
| 5                             | Corner Brook P & P - DL         |                   | -                     | 23,100                    | 23,100                    | -                      | -                     | -                         | -                                 | 156             | 23,100                 | 23,100                  | 22,049     | -                    | 22,049             | 22,049               |
| 6                             | North Atlantic Refining Limited |                   | -                     | 1,251,577                 | 1,251,577                 | -                      | -                     | -                         | -                                 | 39,033          | 1,251,577              | 1,251,577               | 846,529    | -                    | 846,529            | 846,529              |
| 7                             | Subtotal Industrial             |                   | 146,691               | 4,920,990                 | 5,067,681                 | -                      | -                     | -                         | -                                 | 78,479          | 4,920,990              | 5,067,681               | 1,852,226  | -                    | 1,852,226          | 1,852,226            |
| 8                             | Total                           |                   | 3,443,327             | 14,407,168                | 17,850,495                | -                      | -                     | -                         | -                                 | 574,073         | 14,407,168             | 17,850,495              | 10,743,825 | -                    | 10,743,825         | 10,743,825           |
| Basis of Allocation - Ratios  |                                 |                   |                       |                           |                           |                        |                       |                           |                                   |                 |                        |                         |            |                      |                    |                      |
| 9                             | Newfoundland Power Industrial   |                   | 0.9574                | 0.6584                    | 0.7161                    | -                      | -                     | -                         | -                                 | 0.8633          | 0.6584                 | 0.7161                  | 0.8276     | -                    | 0.8276             | 0.8276               |
| 11                            | Abitibi Consolidated - S'ville  |                   | 0.0357                | 0.0340                    | 0.0343                    | -                      | -                     | -                         | -                                 | 0.0241          | 0.0340                 | 0.0343                  | 0.0473     | -                    | 0.0473             | 0.0473               |
| 12                            | Abitibi Consolidated - GF       |                   | 0.0069                | 0.0909                    | 0.0747                    | -                      | -                     | -                         | -                                 | 0.0285          | 0.0909                 | 0.0747                  | 0.0154     | -                    | 0.0154             | 0.0154               |
| 13                            | Corner Brook P & P - CB         |                   | -                     | 0.1282                    | 0.1035                    | -                      | -                     | -                         | -                                 | 0.0159          | 0.1282                 | 0.1035                  | 0.0289     | -                    | 0.0289             | 0.0289               |
| 14                            | Corner Brook P & P - DL         |                   | -                     | 0.0016                    | 0.0013                    | -                      | -                     | -                         | -                                 | 0.0003          | 0.0016                 | 0.0013                  | 0.0021     | -                    | 0.0021             | 0.0021               |
| 15                            | North Atlantic Refining Ltd.    |                   | -                     | 0.0869                    | 0.0701                    | -                      | -                     | -                         | -                                 | 0.0680          | 0.0869                 | 0.0701                  | 0.0788     | -                    | 0.0788             | 0.0788               |
| 16                            | Subtotal Industrial             |                   | 0.0426                | 0.3416                    | 0.2839                    | -                      | -                     | -                         | -                                 | 0.1367          | 0.3416                 | 0.2839                  | 0.1724     | -                    | 0.1724             | 0.1724               |
| 17                            | Total                           |                   | 1.0000                | 1.0000                    | 1.0000                    | -                      | -                     | -                         | -                                 | 1.0000          | 1.0000                 | 1.0000                  | 1.0000     | -                    | 1.0000             | 1.0000               |
| Amounts Allocated             |                                 |                   |                       |                           |                           |                        |                       |                           |                                   |                 |                        |                         |            |                      |                    |                      |
| 18                            | Newfoundland Power Industrial   | 2,017,466         | 59,288                | 247,019                   | 248,762                   | -                      | 154,618               | 340,976                   | -                                 | 218,593         | (52)                   | (3,628)                 | 13,932     | 1,279,507            | 675,788            | 62,171               |
| 19                            | Abitibi Consolidated - S'ville  | 89,533            | 2,211                 | 12,739                    | 11,912                    | -                      | 1,188                 | 12,631                    | -                                 | 6,095           | (3)                    | (174)                   | 796        | 47,394               | 38,589             | 3,550                |
| 20                            | Abitibi Consolidated - GF       | 97,711            | 427                   | 34,112                    | 25,956                    | -                      | -                     | 16,373                    | -                                 | 7,222           | (7)                    | (379)                   | 260        | 83,964               | 12,589             | 1,158                |
| 21                            | Corner Brook P & P - CB         | 122,861           | -                     | 48,099                    | 35,946                    | -                      | -                     | 9,099                     | -                                 | 4,013           | (10)                   | (524)                   | 486        | 97,109               | 23,582             | 2,170                |
| 22                            | Corner Brook P & P - DL         | 3,134             | -                     | 602                       | 450                       | -                      | -                     | 156                       | -                                 | 69              | (0)                    | (7)                     | 35         | 1,304                | 1,676              | 154                  |
| 23                            | North Atlantic Refining Ltd.    | 184,418           | -                     | 32,591                    | 24,357                    | -                      | -                     | 39,033                    | -                                 | 17,216          | (7)                    | (355)                   | 1,326      | 114,161              | 64,339             | 5,919                |
| 24                            | Subtotal Industrial             | 497,657           | 2,638                 | 128,142                   | 98,621                    | -                      | 1,188                 | 77,292                    | -                                 | 34,615          | (27)                   | (1,438)                 | 2,902      | 343,932              | 140,775            | 12,951               |
| 25                            | Total                           | 2,515,123         | 61,926                | 375,160                   | 347,383                   | -                      | 155,805               | 418,267                   | -                                 | 253,208         | (79)                   | (5,067)                 | 16,834     | 1,623,439            | 816,562            | 75,122               |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Functional Classification of Revenue Requirement

| Line No. | 1                                              | 2                 | 3                      | 4                        | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|----------|------------------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|          | Description                                    | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          | <b>Expenses</b>                                |                   |                        |                          |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 1        | Operating & Maintenance                        | 5,080,799         | 2,755,588              | 1,489,367                | -                        | 52,269                  | 350,114                   | 86,437                      | 18,917                        | 33,484                          | 50,890                      | 55,396                        | 32,382                 | 13,527               | 6,865                         | 135,562                  | -                                   |
| 2        | Fuels                                          | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 3        | Fuels-Diesel                                   | 1,402,899         | -                      | 1,402,899                | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 4        | Fuels-Gas Turbine                              | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 5        | Power Purchases -CF(L)Co                       | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 6        | Power Purchases-Other                          | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 7        | Depreciation                                   | 868,021           | 516,855                | 275,286                  | -                        | -                       | 29,103                    | 9,564                       | 1,778                         | 3,147                           | 6,624                       | 7,025                         | 5,350                  | 2,360                | 884                           | 10,044                   | -                                   |
|          | <b>Expense Credits</b>                         |                   |                        |                          |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 8        | Sundry                                         | (28,814)          | (15,628)               | (8,447)                  | -                        | (296)                   | (1,986)                   | (490)                       | (107)                         | (190)                           | (289)                       | (314)                         | (184)                  | (77)                 | (39)                          | (769)                    | -                                   |
| 9        | Building Rental Income                         | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 10       | Tax Refunds                                    | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 11       | Suppliers' Discounts                           | (4,003)           | (2,171)                | (1,173)                  | -                        | (41)                    | (276)                     | (68)                        | (15)                          | (26)                            | (40)                        | (44)                          | (26)                   | (11)                 | (5)                           | (107)                    | -                                   |
| 12       | Pole Attachments                               | (19,021)          | -                      | -                        | -                        | -                       | (11,001)                  | (3,760)                     | -                             | -                               | (1,947)                     | (2,314)                       | -                      | -                    | -                             | -                        | -                                   |
| 13       | Secondary Energy Revenues                      | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 14       | Wheeling Revenues                              | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 15       | Misc Cust & Mtr Test Rev                       | (2,404)           | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | (2,404)              | -                             | -                        | -                                   |
| 16       | Application Fees                               | (660)             | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | (660)                    | -                                   |
| 17       | <b>Total Expense Credits</b>                   | <b>(54,902)</b>   | <b>(17,798)</b>        | <b>(9,620)</b>           | <b>-</b>                 | <b>(338)</b>            | <b>(13,262)</b>           | <b>(4,318)</b>              | <b>(122)</b>                  | <b>(216)</b>                    | <b>(2,276)</b>              | <b>(2,671)</b>                | <b>(209)</b>           | <b>(2,492)</b>       | <b>(44)</b>                   | <b>(1,536)</b>           | <b>-</b>                            |
| 18       | <b>Subtotal Expenses</b>                       | <b>7,296,816</b>  | <b>3,254,644</b>       | <b>3,157,932</b>         | <b>-</b>                 | <b>51,931</b>           | <b>365,955</b>            | <b>91,684</b>               | <b>20,573</b>                 | <b>36,415</b>                   | <b>55,239</b>               | <b>59,750</b>                 | <b>37,522</b>          | <b>13,396</b>        | <b>7,704</b>                  | <b>144,071</b>           | <b>-</b>                            |
| 19       | Disposal Gain / Loss                           | 929,479           | 555,886                | 295,085                  | -                        | -                       | 31,180                    | 10,341                      | 2,861                         | 5,065                           | 7,759                       | 8,036                         | 7,173                  | 3,528                | 1,362                         | 1,202                    | -                                   |
| 20       | <b>Subtotal Revenue Requirement Ex. Return</b> | <b>8,226,295</b>  | <b>3,810,530</b>       | <b>3,453,016</b>         | <b>-</b>                 | <b>51,931</b>           | <b>397,136</b>            | <b>102,024</b>              | <b>23,434</b>                 | <b>41,480</b>                   | <b>62,997</b>               | <b>67,786</b>                 | <b>44,695</b>          | <b>16,924</b>        | <b>9,066</b>                  | <b>145,273</b>           | <b>-</b>                            |
| 21       | Return on Debt                                 | 862,867           | 508,930                | 281,155                  | -                        | -                       | 28,982                    | 9,600                       | 2,644                         | 4,680                           | 7,210                       | 7,464                         | 6,613                  | 3,241                | 1,254                         | 1,096                    | -                                   |
| 22       | Return on Equity                               | -                 | -                      | -                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 23       | <b>Total Revenue Requirement</b>               | <b>9,089,162</b>  | <b>4,319,460</b>       | <b>3,734,172</b>         | <b>-</b>                 | <b>51,931</b>           | <b>426,117</b>            | <b>111,624</b>              | <b>26,078</b>                 | <b>46,160</b>                   | <b>70,207</b>               | <b>75,250</b>                 | <b>51,308</b>          | <b>20,165</b>        | <b>10,321</b>                 | <b>146,369</b>           | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Functional Classification of Revenue Requirement - Documentation

1

| Line No. | Description                                    | Basis of Functional Classification                                |
|----------|------------------------------------------------|-------------------------------------------------------------------|
|          | <b>Expenses</b>                                |                                                                   |
| 1        | Operating & Maintenance                        | Carryforward from Sch.2.4 L.21                                    |
| 2        | Fuels                                          | Production - Energy                                               |
| 3        | Fuels-Diesel                                   | Production - Energy                                               |
| 4        | Fuels-Gas Turbine                              | Production - Energy                                               |
| 5        | Power Purchases -CF(L)Co                       |                                                                   |
| 6        | Power Purchases-Other                          |                                                                   |
| 7        | Depreciation                                   | Carryforward from Sch.2.5 L.24                                    |
|          | <b>Expense Credits</b>                         |                                                                   |
| 8        | Sundry                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9        | Building Rental Income                         | Prorated on General Plant - Sch.2.2 L.18                          |
| 10       | Tax Refunds                                    | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11       | Suppliers' Discounts                           | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12       | Pole Attachments                               | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13       | Secondary Energy Revenues                      | Production - Energy                                               |
| 14       | Wheeling Revenues                              | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15       | Misc Cust & Mtr Test Rev                       | Meters - Customer                                                 |
| 16       | Application Fees                               | Accounting - Customer                                             |
| 17       | <b>Total Expense Credits</b>                   |                                                                   |
| 18       | <b>Subtotal Expenses</b>                       |                                                                   |
| 19       | Disposal Gain / Loss                           | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 20       | <b>Subtotal Revenue Requirement Ex. Return</b> |                                                                   |
| 21       | Return on Debt                                 | Prorated on Rate Base - Sch.2.6 L.8                               |
| 22       | Return on Equity                               | Prorated on Rate Base - Sch.2.6 L.10                              |
| 23       | <b>Total Revenue Requirement</b>               |                                                                   |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Island Isolated

## Functional Classification of Plant in Service for the Allocation of O&amp;M Expense

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 14,821,835        | 9,611,282              | 5,210,552                               | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>14,821,835</b> | <b>9,611,282</b>       | <b>5,210,552</b>                        | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 311,267           | 311,267                | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | 20,028            | -                      | -                                       | -                        | -                       | 15,100                    | 1,924          | -                             | -              | 1,751                       | 1,253          | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 1,705,437         | -                      | -                                       | -                        | -                       | 986,336                   | 337,083        | -                             | -              | 174,582                     | 207,436        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 119,801           | -                      | -                                       | -                        | -                       | 106,263                   | 13,537         | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 225,393           | -                      | -                                       | -                        | -                       | -                         | -              | 81,367                        | 144,026        | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 166,941           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 97,327                      | 69,614         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 186,487           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 186,487                | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 75,988            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 75,988               | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 33,577            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 33,577                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>2,844,919</b>  | <b>311,267</b>         | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>1,107,699</b>          | <b>352,544</b> | <b>81,367</b>                 | <b>144,026</b> | <b>273,660</b>              | <b>278,303</b> | <b>186,487</b>         | <b>75,988</b>        | <b>33,577</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>17,666,754</b> | <b>9,922,550</b>       | <b>5,210,552</b>                        | <b>-</b>                 | <b>-</b>                | <b>1,107,699</b>          | <b>352,544</b> | <b>81,367</b>                 | <b>144,026</b> | <b>273,660</b>              | <b>278,303</b> | <b>186,487</b>         | <b>75,988</b>        | <b>33,577</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 236,993           | 133,107                | 69,898                                  | -                        | -                       | 14,859                    | 4,729          | 1,092                         | 1,932          | 3,671                       | 3,733          | 2,502                  | 1,019                | 450                           | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 7,560             | 4,902                  | 2,658                                   | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 40,211            | 22,585                 | 11,860                                  | -                        | -                       | 2,521                     | 802            | 185                           | 328            | 623                         | 633            | 424                    | 173                  | 76                            | -                        | -                                   |
| 23                  | Software - Cust Acctg                 | 15,066            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | 15,066                   | -                                   |
| 24                  | <b>Total Plant</b>                    | <b>17,966,584</b> | <b>10,083,144</b>      | <b>5,294,967</b>                        | <b>-</b>                 | <b>-</b>                | <b>1,125,080</b>          | <b>358,076</b> | <b>82,644</b>                 | <b>146,286</b> | <b>277,954</b>              | <b>282,670</b> | <b>189,413</b>         | <b>77,180</b>        | <b>34,104</b>                 | <b>15,066</b>            | <b>-</b>                            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Island Isolated

## Functional Classification of Plant in Service for the Allocation of O&amp;M Expense - Documentation

| Line No.            | Description                           | Basis of Functional Classification                                                               |
|---------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                       |                                                                                                  |
| 1                   | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.6                                                   |
| 2                   | <b>Subtotal Production</b>            |                                                                                                  |
| <b>Transmission</b> |                                       |                                                                                                  |
| 3                   | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4                   | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5                   | <b>Subtotal Transmission</b>          |                                                                                                  |
| <b>Distribution</b> |                                       |                                                                                                  |
| 6                   | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7                   | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8                   | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9                   | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10                  | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11                  | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12                  | Secondary Conductors & Equipment      | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13                  | Services                              | Services Customer                                                                                |
| 14                  | Meters                                | Meters - Customer                                                                                |
| 15                  | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16                  | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18                  | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19                  | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20                  | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21                  | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22                  | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23                  | Software - Cust Acctg                 | Customer Accounting                                                                              |
| 24                  | <b>Total Plant</b>                    |                                                                                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Functional Classification of Net Book Value

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 10,421,282        | 6,757,725              | 3,663,557                               | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>10,421,282</b> | <b>6,757,725</b>       | <b>3,663,557</b>                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>                    | <b>-</b>                      | <b>-</b>                        | <b>-</b>                    | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 143,750           | 143,750                | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 637,755           | -                      | -                                       | -                        | -                       | 368,844                   | 126,054                     | -                             | -                               | 65,286                      | 77,571                        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 20,595            | -                      | -                                       | -                        | -                       | 18,268                    | 2,327                       | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 98,411            | -                      | -                                       | -                        | -                       | -                         | -                           | 35,526                        | 62,884                          | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 53,239            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | 31,038                      | 22,201                        | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 89,053            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | 89,053                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 43,807            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | 43,807               | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 16,911            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | 16,911                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>1,103,520</b>  | <b>143,750</b>         | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>387,112</b>            | <b>128,381</b>              | <b>35,526</b>                 | <b>62,884</b>                   | <b>96,324</b>               | <b>99,772</b>                 | <b>89,053</b>          | <b>43,807</b>        | <b>16,911</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>11,524,801</b> | <b>6,901,475</b>       | <b>3,663,557</b>                        | <b>-</b>                 | <b>-</b>                | <b>387,112</b>            | <b>128,381</b>              | <b>35,526</b>                 | <b>62,884</b>                   | <b>96,324</b>               | <b>99,772</b>                 | <b>89,053</b>          | <b>43,807</b>        | <b>16,911</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 70,720            | 42,350                 | 22,481                                  | -                        | -                       | 2,375                     | 788                         | 218                           | 386                             | 591                         | 612                           | 546                    | 269                  | 104                           | -                        | -                                   |
| 19                  | Telecontrol - Common                  | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 35,526            | 21,274                 | 11,293                                  | -                        | -                       | 1,193                     | 396                         | 110                           | 194                             | 297                         | 308                           | 275                    | 135                  | 52                            | -                        | -                                   |
| 23                  | Software - Cust Acctng                | 15,066            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | 15,066                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>11,646,114</b> | <b>6,965,099</b>       | <b>3,697,331</b>                        | <b>-</b>                 | <b>-</b>                | <b>390,681</b>            | <b>129,564</b>              | <b>35,854</b>                 | <b>63,464</b>                   | <b>97,212</b>               | <b>100,692</b>                | <b>89,874</b>          | <b>44,210</b>        | <b>17,067</b>                 | <b>15,066</b>            | <b>-</b>                            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Island Isolated

## Functional Classification of Operating &amp; Maintenance Expense

| Line No.                | 1<br>Description                                  | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Distribution Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|-------------------------|---------------------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|------------------------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>       |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 1                       | Diesel                                            | 2,510,485              | 1,627,935                   | 882,550                                      | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                       | <b>Subtotal Production</b>                        | <b>2,510,485</b>       | <b>1,627,935</b>            | <b>882,550</b>                               | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b>     |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 3                       | Transmission Lines                                | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 4                       | Terminal Stations                                 | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                       | <b>Subtotal Transmission</b>                      | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                                       | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b>     |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 6                       | Other                                             | 387,829                | -                           | -                                            | -                             | 32,582                       | 200,098                        | 48,105             | 10,459                             | 18,513              | 27,239                                         | 29,972              | 17,130                       | -                          | 3,729                               | -                              | -                                         |
| 7                       | Meters                                            | 7,188                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | 7,188                      | -                                   | -                              | -                                         |
| 8                       | <b>Subtotal Distribution</b>                      | <b>395,016</b>         | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>32,582</b>                | <b>200,098</b>                 | <b>48,105</b>      | <b>10,459</b>                      | <b>18,513</b>       | <b>27,239</b>                                  | <b>29,972</b>       | <b>17,130</b>                | <b>7,188</b>               | <b>3,729</b>                        | <b>-</b>                       | <b>-</b>                                  |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>             | <b>2,905,501</b>       | <b>1,627,935</b>            | <b>882,550</b>                               | <b>-</b>                      | <b>32,582</b>                | <b>200,098</b>                 | <b>48,105</b>      | <b>10,459</b>                      | <b>18,513</b>       | <b>27,239</b>                                  | <b>29,972</b>       | <b>17,130</b>                | <b>7,188</b>               | <b>3,729</b>                        | <b>-</b>                       | <b>-</b>                                  |
| 10                      | Customer Accounting                               | 88,573                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | 88,573                         | -                                         |
| <b>Overheads</b>        |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| <b>Plant-Related:</b>   |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 11                      | Production                                        | 47,008                 | 30,483                      | 16,526                                       | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                      | Transmission                                      | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 13                      | Distribution                                      | 9,593                  | 1,050                       | -                                            | -                             | -                            | 3,735                          | 1,189              | 274                                | 486                 | 923                                            | 938                 | 629                          | 256                        | 113                                 | -                              | -                                         |
| 14                      | Prod, Trans, Distn Plant                          | 404,173                | 227,004                     | 119,205                                      | -                             | -                            | 25,342                         | 8,065              | 1,861                              | 3,295               | 6,261                                          | 6,367               | 4,266                        | 1,738                      | 768                                 | -                              | -                                         |
| 15                      | Telecontrol Plant                                 | 519                    | 336                         | 182                                          | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 16                      | Prod, Trans, Distn and Gen Plt                    | 418                    | 235                         | 123                                          | -                             | -                            | 26                             | 8                  | 2                                  | 3                   | 6                                              | 7                   | 4                            | 2                          | 1                                   | 0                              | -                                         |
| 17                      | Property Insurance                                | 7,486                  | 4,898                       | 2,572                                        | -                             | -                            | 7                              | 2                  | 1                                  | 1                   | 2                                              | 2                   | 1                            | 0                          | 0                                   | -                              | -                                         |
| <b>Expense Related:</b> |                                                   |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                     |                                |                                           |
| 18                      | Municipal Tax                                     | 29,119                 | -                           | -                                            | -                             | 2,402                        | 14,750                         | 3,546              | 771                                | 1,365               | 2,008                                          | 2,209               | 1,263                        | 530                        | 275                                 | -                              | -                                         |
| 19                      | Other Expense Related                             | 1,588,409              | 863,648                     | 468,209                                      | -                             | 17,285                       | 106,156                        | 25,521             | 5,549                              | 9,822               | 14,451                                         | 15,901              | 9,088                        | 3,813                      | 1,978                               | 46,989                         | -                                         |
| 20                      | <b>Subtotal Overheads</b>                         | <b>2,086,725</b>       | <b>1,127,653</b>            | <b>606,817</b>                               | <b>-</b>                      | <b>19,687</b>                | <b>150,016</b>                 | <b>38,332</b>      | <b>8,458</b>                       | <b>14,971</b>       | <b>23,651</b>                                  | <b>25,424</b>       | <b>15,252</b>                | <b>6,340</b>               | <b>3,136</b>                        | <b>46,990</b>                  | <b>-</b>                                  |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b> | <b>5,080,799</b>       | <b>2,755,588</b>            | <b>1,489,367</b>                             | <b>-</b>                      | <b>52,269</b>                | <b>350,114</b>                 | <b>86,437</b>      | <b>18,917</b>                      | <b>33,484</b>       | <b>50,890</b>                                  | <b>55,396</b>       | <b>32,382</b>                | <b>13,527</b>              | <b>6,865</b>                        | <b>135,562</b>                 | <b>-</b>                                  |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Island Isolated

## Functional Classification of Operating &amp; Maintenance Expense - Documentation

1

| Line No. | Description                                       | Basis of Functional Classification                                                                    |
|----------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                       |
| 1        | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L6                                                         |
| 2        | <b>Subtotal Production</b>                        |                                                                                                       |
|          | <b>Transmission</b>                               |                                                                                                       |
| 3        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                       |
|          | <b>Distribution</b>                               |                                                                                                       |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                            | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                  |                                                                                                       |
|          | Plant-Related:                                    |                                                                                                       |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14       | Prod, Trans, Distrn Plant                         | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16       | Prod, Trans, Distrn and Gen Plt                   | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
| 17       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
|          | Expense Related:                                  |                                                                                                       |
| 18       | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Isolated**  
**Functional Classification of Depreciation Expense**

|              | 1                                | 2                 | 3                      | 4                        | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16            | 17                                  |
|--------------|----------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.     | Description                      | Total Amount (\$) | Production Demand (\$) | Production and           |                          | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|              |                                  |                   |                        | Transmission Energy (\$) | Transmissior Demand (\$) |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|              |                                  |                   |                        |                          |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Production   |                                  |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 1            | Diesel                           | 709,017           | 459,765                | 249,252                  | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 2            | Subtotal Production              | 709,017           | 459,765                | 249,252                  | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| Transmission |                                  |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 3            | Lines                            | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 4            | Terminal Stations                | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5            | Subtotal Transmission            | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| Distribution |                                  |                   |                        |                          |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 6            | Substn Struct & Eqpt             | 8,210             | 8,210                  | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 7            | Land & Land Improvements         | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 8            | Poles                            | 42,773            | -                      | -                        | -                        | -                       | 24,738        | 8,454         | -                 | -             | 4,379           | 5,203         | -             | -             | -               | -             | -                                   |
| 9            | Primary Conductor & Equipment    | 1,819             | -                      | -                        | -                        | -                       | 1,613         | 206           | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 10           | Submarine Conductor              | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 11           | Transformers                     | 4,459             | -                      | -                        | -                        | -                       | -             | -             | 1,610             | 2,849         | -               | -             | -             | -             | -               | -             | -                                   |
| 12           | Secondary Conductors & Equipment | 2,778             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | 1,619           | 1,158         | -             | -             | -               | -             | -                                   |
| 13           | Services                         | 4,844             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | 4,844         | -             | -               | -             | -                                   |
| 14           | Meters                           | 2,137             | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | 2,137         | -               | -             | -                                   |
| 15           | Street Lighting                  | 800               | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | 800           | -                                   |
| 16           | Subtotal Distribution            | 67,820            | 8,210                  | -                        | -                        | -                       | 26,351        | 8,660         | 1,610             | 2,849         | 5,998           | 6,361         | 4,844         | 2,137         | 800             | -             | -                                   |
| 17           | Subtotal Prod Tran & Dist        | 776,836           | 467,975                | 249,252                  | -                        | -                       | 26,351        | 8,660         | 1,610             | 2,849         | 5,998           | 6,361         | 4,844         | 2,137         | 800             | -             | -                                   |
| 18           | General                          | 9,494             | 5,719                  | 3,046                    | -                        | -                       | 322           | 106           | 20                | 35            | 73              | 78            | 59            | 26            | 10              | -             | -                                   |
| 19           | Telecontrol - Common             | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 20           | Telecontrol - Specific           | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 21           | Feasibility Studies              | -                 | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 22           | Software - General               | 71,646            | 43,161                 | 22,988                   | -                        | -                       | 2,430         | 799           | 148               | 263           | 553             | 587           | 447           | 197           | 74              | -             | -                                   |
| 23           | Software - Cust Acctng           | 10,044            | -                      | -                        | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | 10,044        | -                                   |
| 24           | Total Depreciation Expense       | 868,021           | 516,855                | 275,286                  | -                        | -                       | 29,103        | 9,564         | 1,778             | 3,147         | 6,624           | 7,025         | 5,350         | 2,360         | 884             | 10,044        | -                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Functional Classification of Rate Base

| Line No. | Description                                                     | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |               | 17<br>Specifically Assigned Customer (\$) |
|----------|-----------------------------------------------------------------|------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------------|
|          |                                                                 |                        |                             |                               |                               |                              | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                           |
|          |                                                                 |                        |                             |                               |                               |                              | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                           |
| 1        | Average Net Book Value                                          | 11,646,114             | 6,965,099                   | 3,697,331                     | -                             | -                            | 390,681       | 129,564       | 35,854            | 63,464        | 97,212          | 100,692       | 89,874        | 44,210        | 17,067          | 15,066        | -                                         |
| 2        | Cash Working Capital                                            | 33,904                 | 20,277                      | 10,764                        | -                             | -                            | 1,137         | 377           | 104               | 185           | 283             | 293           | 262           | 129           | 50              | 44            | -                                         |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                      | -                           | -                             | -                             | -                            | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                         |
| 4        | Fuel Inventory - Diesel                                         | 164,597                | -                           | 164,597                       | -                             | -                            | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                         |
| 5        | Fuel Inventory - Gas Turbine                                    | -                      | -                           | -                             | -                             | -                            | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                         |
| 6        | Inventory/Supplies                                              | 208,335                | 116,921                     | 61,399                        | -                             | -                            | 13,046        | 4,152         | 958               | 1,696         | 3,223           | 3,278         | 2,196         | 895           | 395             | 175           | -                                         |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 809,968                | 484,411                     | 257,143                       | -                             | -                            | 27,171        | 9,011         | 2,494             | 4,414         | 6,761           | 7,003         | 6,251         | 3,075         | 1,187           | 1,048         | -                                         |
| 8        | Total Rate Base                                                 | 12,862,918             | 7,586,708                   | 4,191,233                     | -                             | -                            | 432,035       | 143,105       | 39,410            | 69,759        | 107,479         | 111,266       | 98,582        | 48,309        | 18,699          | 16,333        | -                                         |
| 9        | Less: Rural Portion                                             | (12,862,918)           | (7,586,708)                 | (4,191,233)                   | -                             | -                            | (432,035)     | (143,105)     | (39,410)          | (69,759)      | (107,479)       | (111,266)     | (98,582)      | (48,309)      | (18,699)        | (16,333)      | -                                         |
| 10       | Rate Base Available for Equity Return                           | -                      | -                           | -                             | -                             | -                            | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                         |
| 11       | Return on Debt                                                  | 862,867                | 508,930                     | 281,155                       | -                             | -                            | 28,982        | 9,600         | 2,644             | 4,680         | 7,210           | 7,464         | 6,613         | 3,241         | 1,254           | 1,096         | -                                         |
| 12       | Return on Equity                                                | -                      | -                           | -                             | -                             | -                            | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                         |
| 13       | Return on Rate Base                                             | 862,867                | 508,930                     | 281,155                       | -                             | -                            | 28,982        | 9,600         | 2,644             | 4,680         | 7,210           | 7,464         | 6,613         | 3,241         | 1,254           | 1,096         | -                                         |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        | Production - Energy                                 |
| 4           | Fuel Inventory - Diesel                                            |                                                     |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and Regulatory<br>Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.1,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.1,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Island Isolated  
Basis of Allocation to Classes of Service

| Line No.                               | 1            | 2                 | 3                   | 4              | 5            | 6           | 7             | 8                 | 9               | 10           | 11      | 12              | 13               | 14           | 15           | 16           | 17                |
|----------------------------------------|--------------|-------------------|---------------------|----------------|--------------|-------------|---------------|-------------------|-----------------|--------------|---------|-----------------|------------------|--------------|--------------|--------------|-------------------|
|                                        |              |                   |                     | Production and |              |             |               |                   |                 |              |         |                 |                  |              |              |              |                   |
|                                        |              |                   |                     | Transmission   | Transmission | Substations | Primary Lines | Line Transformers | Secondary Lines | Services     | Meters  | Street Lighting | Accounting       |              |              |              | Specifically      |
| Description                            | Total Amount | Production Demand | Transmission Energy | Demand         | Demand       | Demand      | Demand        | Customer          | Demand          | Customer     | Demand  | Customer        | Customer         | Customer     | Customer     | Customer     | Assigned Customer |
|                                        |              | (CP kW)           | (MWh @ Gen)         | (CP kW)        | (CP kW)      | (CP kW)     | (CP kW)       | (Rural Cust)      | (CP kW)         | (Rural Cust) | (CP kW) | (Rural Cust)    | (Wtd Rural Cust) | (Rural Cust) | (Rural Cust) | (Rural Cust) |                   |
| <b>Amounts</b>                         |              |                   |                     |                |              |             |               |                   |                 |              |         |                 |                  |              |              |              |                   |
| 1 1.2 Domestic Diesel                  | -            | 2,746             | 7,232               | 2,729          | 2,658        | 2,729       | 885           | 2,653             | 885             | 2,685        | 885     | 885             | 885              | -            | 885          | -            | -                 |
| 2 1.2G Government Domestic Diesel      | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 3 1.23 Churches, Schools & Com Halls   | -            | 120               | 578                 | 120            | 117          | 120         | 32            | 116               | 32              | 118          | 32      | 32              | 32               | -            | 32           | -            | -                 |
| 4 2.2 GS 10-100 kW                     | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 5 2.3 GS 110-1,000 kVa                 | -            | 93                | 1,039               | 93             | 90           | 93          | 1             | 90                | 1               | 91           | 1       | 9               | 9                | -            | 1            | -            | -                 |
| 6 2.5 GS Diesel                        | -            | 538               | 1,955               | 535            | 521          | 535         | 119           | 520               | 119             | 526          | 119     | 239             | 239              | -            | 119          | -            | -                 |
| 7 2.5G Gov't General Service Diesel    | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 8 4.1 Street and Area Lighting         | -            | 51                | 126                 | 50             | 49           | 50          | 40            | 49                | 40              | 50           | 40      | -               | -                | 40           | 40           | -            | -                 |
| 9 4.1G Gov't Street and Area Lighting  | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 10 Total                               | -            | 3,549             | 10,929              | 3,527          | 3,435        | 3,527       | 1,076         | 3,428             | 1,076           | 3,470        | 1,076   | 1,163           | 1,163            | 40           | 1,076        | -            | -                 |
| <b>Ratios</b>                          |              |                   |                     |                |              |             |               |                   |                 |              |         |                 |                  |              |              |              |                   |
| 11 1.2 Domestic Diesel                 | -            | 0.7738            | 0.6618              | 0.7738         | 0.7738       | 0.7738      | 0.8218        | 0.7738            | 0.8218          | 0.7738       | 0.8218  | 0.7603          | 0.7603           | -            | 0.8218       | -            | -                 |
| 12 1.2G Government Domestic Diesel     | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 13 1.23 Churches, Schools & Com Halls  | -            | 0.0339            | 0.0529              | 0.0339         | 0.0339       | 0.0339      | 0.0295        | 0.0339            | 0.0295          | 0.0339       | 0.0295  | 0.0273          | 0.0273           | -            | 0.0295       | -            | -                 |
| 14 2.2 GS 10-100 kW                    | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 15 2.3 GS 110-1,000 kVa                | -            | 0.0263            | 0.0950              | 0.0263         | 0.0263       | 0.0263      | 0.0009        | 0.0263            | 0.0009          | 0.0263       | 0.0009  | 0.0074          | 0.0074           | -            | 0.0009       | -            | -                 |
| 16 2.5 GS Diesel                       | -            | 0.1516            | 0.1789              | 0.1516         | 0.1516       | 0.1516      | 0.1108        | 0.1516            | 0.1108          | 0.1516       | 0.1108  | 0.2050          | 0.2050           | -            | 0.1108       | -            | -                 |
| 17 2.5G Gov't General Service Diesel   | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 18 4.1 Street and Area Lighting        | -            | 0.0143            | 0.0115              | 0.0143         | 0.0143       | 0.0143      | 0.0370        | 0.0143            | 0.0370          | 0.0143       | 0.0370  | -               | -                | 1.0000       | 0.0370       | -            | -                 |
| 19 4.1G Gov't Street and Area Lighting | -            | -                 | -                   | -              | -            | -           | -             | -                 | -               | -            | -       | -               | -                | -            | -            | -            | -                 |
| 20 Total                               | -            | 1.0000            | 1.0000              | 1.0000         | 1.0000       | 1.0000      | 1.0000        | 1.0000            | 1.0000          | 1.0000       | 1.0000  | 1.0000          | 1.0000           | 1.0000       | 1.0000       | -            | -                 |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Island Isolated**

**Allocation of Functionalized Amounts to Classes of Service**

|                                                | 1                                   | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16            | 17                                  |
|------------------------------------------------|-------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|
| Line No.                                       | Description                         | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |
|                                                |                                     |                   |                        |                                         |                          |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |
|                                                |                                     |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |
| Allocated Revenue Requirement Excluding Return |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 1                                              | 1.2 Domestic Diesel                 | 5,987,988         | 2,948,703              | 2,285,036                               | -                        | 40,186                  | 307,316       | 83,840        | 18,134            | 34,087        | 48,749          | 55,705        | 33,983        | 12,868        | -               | 119,382       | -                                   |
| 2                                              | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 3                                              | 1.23 Churches, Schools & Com Halls  | 342,212           | 129,324                | 182,514                                 | -                        | 1,762                   | 13,478        | 3,010         | 795               | 1,224         | 2,138           | 2,000         | 1,220         | 462           | -               | 4,285         | -                                   |
| 4                                              | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 5                                              | 2.3 GS 110-1,000 kVa                | 443,450           | 100,371                | 328,188                                 | -                        | 1,368                   | 10,461        | 95            | 617               | 39            | 1,659           | 63            | 329           | 125           | -               | 135           | -                                   |
| 6                                              | 2.5 GS Diesel                       | 1,328,673         | 577,736                | 617,610                                 | -                        | 7,874                   | 60,212        | 11,304        | 3,553             | 4,596         | 9,551           | 7,510         | 9,163         | 3,470         | -               | 16,095        | -                                   |
| 7                                              | 2.5G Gov't General Service Diesel   | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 8                                              | 4.1 Street and Area Lighting        | 123,973           | 54,397                 | 39,669                                  | -                        | 741                     | 5,669         | 3,776         | 335               | 1,535         | 899             | 2,509         | -             | -             | 9,066           | 5,376         | -                                   |
| 9                                              | 4.1G Gov't Street and Area Lighting | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 10                                             | Total                               | 8,226,295         | 3,810,530              | 3,453,016                               | -                        | 51,931                  | 397,136       | 102,024       | 23,434            | 41,480        | 62,997          | 67,786        | 44,695        | 16,924        | 9,066           | 145,273       | -                                   |
| Allocated Return on Debt                       |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 11                                             | 1.2 Domestic Diesel                 | 636,192           | 393,825                | 186,055                                 | -                        | -                       | 22,427        | 7,889         | 2,046             | 3,846         | 5,579           | 6,134         | 5,028         | 2,464         | -               | 900           | -                                   |
| 12                                             | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 13                                             | 1.23 Churches, Schools & Com Halls  | 34,394            | 17,272                 | 14,861                                  | -                        | -                       | 984           | 283           | 90                | 138           | 245             | 220           | 180           | 88            | -               | 32            | -                                   |
| 14                                             | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 15                                             | 2.3 GS 110-1,000 kVa                | 41,244            | 13,405                 | 26,722                                  | -                        | -                       | 763           | 9             | 70                | 4             | 190             | 7             | 49            | 24            | -               | 1             | -                                   |
| 16                                             | 2.5 GS Diesel                       | 137,888           | 77,162                 | 50,288                                  | -                        | -                       | 4,394         | 1,064         | 401               | 518           | 1,093           | 827           | 1,356         | 664           | -               | 121           | -                                   |
| 17                                             | 2.5G Gov't General Service Diesel   | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 18                                             | 4.1 Street and Area Lighting        | 13,149            | 7,265                  | 3,230                                   | -                        | -                       | 414           | 355           | 38                | 173           | 103             | 276           | -             | -             | 1,254           | 41            | -                                   |
| 19                                             | 4.1G Gov't Street and Area Lighting | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 20                                             | Total                               | 862,867           | 508,930                | 281,155                                 | -                        | -                       | 28,982        | 9,600         | 2,644             | 4,680         | 7,210           | 7,464         | 6,613         | 3,241         | 1,254           | 1,096         | -                                   |
| Allocated Return on Equity                     |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 21                                             | All Classes                         | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| Total Allocated Revenue Requirement            |                                     |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |
| 22                                             | 1.2 Domestic Diesel                 | 6,624,180         | 3,342,528              | 2,471,091                               | -                        | 40,186                  | 329,742       | 91,729        | 20,180            | 37,933        | 54,328          | 61,838        | 39,011        | 15,332        | -               | 120,282       | -                                   |
| 23                                             | 1.2G Government Domestic Diesel     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 24                                             | 1.23 Churches, Schools & Com Halls  | 376,606           | 146,596                | 197,375                                 | -                        | 1,762                   | 14,462        | 3,293         | 885               | 1,362         | 2,383           | 2,220         | 1,400         | 550           | -               | 4,318         | -                                   |
| 25                                             | 2.2 GS 10-100 kW                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 26                                             | 2.3 GS 110-1,000 kVa                | 484,694           | 113,776                | 354,910                                 | -                        | 1,368                   | 11,224        | 104           | 687               | 43            | 1,849           | 70            | 378           | 149           | -               | 136           | -                                   |
| 27                                             | 2.5 GS Diesel                       | 1,466,561         | 654,897                | 667,897                                 | -                        | 7,874                   | 64,606        | 12,367        | 3,954             | 5,114         | 10,644          | 8,337         | 10,519        | 4,134         | -               | 16,217        | -                                   |
| 28                                             | 2.5G Gov't General Service Diesel   | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 29                                             | 4.1 Street and Area Lighting        | 137,122           | 61,662                 | 42,899                                  | -                        | 741                     | 6,083         | 4,131         | 372               | 1,708         | 1,002           | 2,785         | -             | -             | 10,321          | 5,417         | -                                   |
| 30                                             | 4.1G Gov't Street and Area Lighting | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |
| 31                                             | Total                               | 9,089,162         | 4,319,460              | 3,734,172                               | -                        | 51,931                  | 426,117       | 111,624       | 26,078            | 46,160        | 70,207          | 75,250        | 51,308        | 20,165        | 10,321          | 146,369       | -                                   |

### Functional Classification of Revenue Requirement

|      | 1                                       | 2          | 3              | 4            | 5            | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17       |              |
|------|-----------------------------------------|------------|----------------|--------------|--------------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|----------|--------------|
|      |                                         |            | Production and |              |              | Distribution |               |          |                   |          |                 |          |          |          |                 |            |          | Specifically |
| Line |                                         | Total      | Production     | Transmission | Transmission | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lighting | Accounting | Assigned |              |
| No.  | Description                             | Amount     | Demand         | Energy       | Demand       | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Customer |              |
|      |                                         | (\$)       | (\$)           | (\$)         | (\$)         | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | (\$)     |              |
|      | Expenses                                |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 1    | Operating & Maintenance                 | 10,002,543 | 4,306,833      | 3,920,330    | -            | 126,824      | 711,716       | 177,980  | 38,895            | 68,847   | 101,632         | 111,751  | 63,494   | 36,748   | 14,854          | 322,640    | -        |              |
| 2    | Fuels                                   | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 3    | Fuels-Diesel                            | 5,230,393  | -              | 5,230,393    | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 4    | Fuels-Gas Turbine                       | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 5    | Power Purchases -CF(L)Co                | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 6    | Power Purchases-Other                   | 24,960     | -              | 24,960       | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 7    | Depreciation                            | 1,881,139  | 859,922        | 734,759      | -            | 36,247       | 109,994       | 33,205   | 7,203             | 12,749   | 19,146          | 21,189   | 12,805   | 6,238    | 3,805           | 23,878     | -        |              |
|      | Expense Credits                         |            |                |              |              |              |               |          |                   |          |                 |          |          |          |                 |            |          |              |
| 8    | Sundry                                  | (56,727)   | (24,425)       | (22,233)     | -            | (719)        | (4,036)       | (1,009)  | (221)             | (390)    | (576)           | (634)    | (360)    | (208)    | (84)            | (1,830)    | -        |              |
| 9    | Building Rental Income                  | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 10   | Tax Refunds                             | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 11   | Suppliers' Discounts                    | (7,880)    | (3,393)        | (3,088)      | -            | (100)        | (561)         | (140)    | (31)              | (54)     | (80)            | (88)     | (50)     | (29)     | (12)            | (254)      | -        |              |
| 12   | Pole Attachments                        | (63,046)   | -              | -            | -            | -            | (36,463)      | (12,461) | -                 | -        | (6,454)         | (7,668)  | -        | -        | -               | -          | -        |              |
| 13   | Secondary Energy Revenues               | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 14   | Wheeling Revenues                       | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 15   | Misc Cust & Mtr Test Rev                | (5,716)    | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | (5,716)  | -               | -          | -        |              |
| 16   | Application Fees                        | (4,446)    | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | (4,446)    | -        |              |
| 17   | Total Expense Credits                   | (137,815)  | (27,818)       | (25,321)     | -            | (819)        | (41,060)      | (13,611) | (251)             | (445)    | (7,110)         | (8,390)  | (410)    | (5,953)  | (96)            | (6,530)    | -        |              |
| 18   | Subtotal Expenses                       | 17,001,220 | 5,138,937      | 9,885,120    | -            | 162,252      | 780,650       | 197,575  | 45,846            | 81,151   | 113,667         | 124,550  | 75,889   | 37,033   | 18,563          | 339,988    | -        |              |
| 19   | Disposal Gain / Loss                    | 35,375     | 15,048         | 12,652       | -            | 1,352        | 2,943         | 896      | 233               | 412      | 510             | 568      | 405      | 180      | 120             | 56         | -        |              |
| 20   | Subtotal Revenue Requirement Ex. Return | 17,036,595 | 5,153,985      | 9,897,773    | -            | 163,604      | 783,593       | 198,471  | 46,079            | 81,563   | 114,177         | 125,118  | 76,294   | 37,213   | 18,683          | 340,044    | -        |              |
| 21   | Return on Debt                          | 1,795,049  | 707,011        | 727,791      | -            | 62,979       | 138,483       | 42,147   | 10,921            | 19,331   | 24,009          | 26,742   | 18,975   | 8,435    | 5,621           | 2,605      | -        |              |
| 22   | Return on Equity                        | -          | -              | -            | -            | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -        |              |
| 23   | Total Revenue Requirement               | 18,831,644 | 5,860,995      | 10,625,564   | -            | 226,583      | 922,077       | 240,618  | 57,000            | 100,894  | 138,186         | 151,860  | 95,269   | 45,648   | 24,304          | 342,649    | -        |              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                                   | 2<br>Basis of Functional Classification                           |
|-------------|----------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                    |                                                                   |
| 1           | Operating & Maintenance                            | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                              | Production - Energy                                               |
| 3           | Fuels-Diesel                                       | Production - Energy                                               |
| 4           | Fuels-Gas Turbine                                  | Production - Energy                                               |
| 5           | Power Purchases -CF(L)Co                           |                                                                   |
| 6           | Power Purchases-Other                              | Carryforward from Sch.4.4 L.11                                    |
| 7           | Depreciation                                       | Carryforward from Sch.2.5 L.24                                    |
|             | <b>Expense Credits</b>                             |                                                                   |
| 8           | Sundry                                             | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                             | Prorated on General Plant - Sch.2.2 L.18                          |
| 10          | Tax Refunds                                        | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                               | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                                   | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                          | Production - Energy                                               |
| 14          | Wheeling Revenues                                  | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Misc Cust & Mtr Test Rev                           | Meters - Customer                                                 |
| 16          | Application Fees                                   | Accounting - Customer                                             |
| 17          | <b>Total Expense Credits</b>                       |                                                                   |
| 18          | <b>Subtotal Expenses</b>                           |                                                                   |
| 19          | Disposal Gain / Loss                               | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 20          | <b>Subtotal Revenue Requirement Ex.<br/>Return</b> |                                                                   |
| 21          | Return on Debt                                     | Prorated on Rate Base - Sch.2.6 L.8                               |
| 22          | Return on Equity                                   | Prorated on Rate Base - Sch.2.6 L.10                              |
| 23          | <b>Total Revenue Requirement</b>                   |                                                                   |

NEWFOUNDLAND & LABRADOR HYDRO

2002 Actual Cost of Service

Labrador Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| 1                   | 2                                 | 3          | 4              | 5            | 6            | 7           | 8             | 9                 | 10              | 11       | 12      | 13              | 14         | 15           | 16       | 17       |
|---------------------|-----------------------------------|------------|----------------|--------------|--------------|-------------|---------------|-------------------|-----------------|----------|---------|-----------------|------------|--------------|----------|----------|
|                     |                                   |            | Production and |              |              |             |               |                   |                 |          |         |                 |            |              |          |          |
| Line                |                                   | Total      | Production     | Transmission | Transmission | Substations | Primary Lines | Line Transformers | Secondary Lines | Services | Meters  | Street Lighting | Accounting | Specifically |          |          |
| No.                 | Description                       | Amount     | Demand         | Energy       | Demand       | Demand      | Demand        | Customer          | Demand          | Customer | Demand  | Customer        | Customer   | Customer     | Customer | Assigned |
|                     |                                   | (\$)       | (\$)           | (\$)         | (\$)         | (\$)        | (\$)          | (\$)              | (\$)            | (\$)     | (\$)    | (\$)            | (\$)       | (\$)         | (\$)     | Customer |
| <b>Production</b>   |                                   |            |                |              |              |             |               |                   |                 |          |         |                 |            |              |          |          |
| 1                   | Diesel                            | 31,920,008 | 16,624,731     | 15,295,277   | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 2                   | Subtotal Production               | 31,920,008 | 16,624,731     | 15,295,277   | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| <b>Transmission</b> |                                   |            |                |              |              |             |               |                   |                 |          |         |                 |            |              |          |          |
| 3                   | Lines                             | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 4                   | Terminal Stations                 | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 5                   | Subtotal Transmission             | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| <b>Distribution</b> |                                   |            |                |              |              |             |               |                   |                 |          |         |                 |            |              |          |          |
| 6                   | Substation Structures & Equipment | 2,485,189  | 1,514,635      | -            | -            | 970,554     | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 7                   | Land & Land Improvements          | 12,078     | -              | -            | -            | -           | 9,106         | 1,160             | -               | -        | 1,056   | 755             | -          | -            | -        | -        |
| 8                   | Poles                             | 5,333,305  | -              | -            | -            | -           | 3,084,506     | 1,054,138         | -               | -        | 545,960 | 648,701         | -          | -            | -        | -        |
| 9                   | Primary Conductor & Equipment     | 797,735    | -              | -            | -            | -           | 707,591       | 90,144            | -               | -        | -       | -               | -          | -            | -        | -        |
| 10                  | Submarine Conductor               | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 11                  | Transformers                      | 708,377    | -              | -            | -            | -           | -             | -                 | 255,724         | 452,653  | -       | -               | -          | -            | -        | -        |
| 12                  | Secondary Conductors & Equipment  | 223,428    | -              | -            | -            | -           | -             | -                 | -               | -        | 130,258 | 93,169          | -          | -            | -        | -        |
| 13                  | Services                          | 411,777    | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | 411,777    | -            | -        | -        |
| 14                  | Meters                            | 196,045    | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | 196,045      | -        | -        |
| 15                  | Street Lighting                   | 124,365    | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | 124,365  | -        |
| 16                  | Subtotal Distribution             | 10,292,297 | 1,514,635      | -            | -            | 970,554     | 3,801,203     | 1,145,443         | 255,724         | 452,653  | 677,274 | 742,625         | 411,777    | 196,045      | 124,365  | -        |
| 17                  | Subttl Prod, Trans, & Dist        | 42,212,306 | 18,139,366     | 15,295,277   | -            | 970,554     | 3,801,203     | 1,145,443         | 255,724         | 452,653  | 677,274 | 742,625         | 411,777    | 196,045      | 124,365  | -        |
| 18                  | General                           | 891,274    | 382,996        | 322,946      | -            | 20,492      | 80,259        | 24,185            | 5,399           | 9,557    | 14,300  | 15,680          | 8,694      | 4,139        | 2,626    | -        |
| 19                  | Telecontrol - Common              | 15,100     | 7,865          | 7,236        | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 20                  | Telecontrol - Specific            | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 21                  | Feasibility Studies               | -          | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | -        |
| 22                  | Software - General                | 96,080     | 41,287         | 34,814       | -            | 2,209       | 8,652         | 2,607             | 582             | 1,030    | 1,542   | 1,690           | 937        | 446          | 283      | -        |
| 23                  | Software - Cust Acctng            | 35,817     | -              | -            | -            | -           | -             | -                 | -               | -        | -       | -               | -          | -            | -        | 35,817   |
| 24                  | Total Plant                       | 43,250,577 | 18,571,513     | 15,660,272   | -            | 993,256     | 3,890,114     | 1,172,235         | 261,705         | 463,240  | 693,116 | 759,996         | 421,408    | 200,630      | 127,274  | 35,817   |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Labrador Isolated

## Functional Classification of Plant in Service for the Allocation of O&amp;M Expense

| Line No.            | Description                           | Basis of Functional Classification                                                               |
|---------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                       |                                                                                                  |
| 1                   | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.7                                                   |
| 2                   | <b>Subtotal Production</b>            |                                                                                                  |
| <b>Transmission</b> |                                       |                                                                                                  |
| 3                   | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4                   | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5                   | <b>Subtotal Transmission</b>          |                                                                                                  |
| <b>Distribution</b> |                                       |                                                                                                  |
| 6                   | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7                   | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8                   | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9                   | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10                  | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11                  | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12                  | Secondary Conductors & Equipment      | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13                  | Services                              | Services Customer                                                                                |
| 14                  | Meters                                | Meters - Customer                                                                                |
| 15                  | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16                  | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18                  | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19                  | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20                  | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21                  | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22                  | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23                  | Software - Cust Acctng                | Customer Accounting                                                                              |
| 24                  | <b>Total Plant</b>                    |                                                                                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Isolated  
Functional Classification of Net Book Value

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 1                   | Diesel                                | 16,579,067        | 8,634,789              | 7,944,278                               | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>16,579,067</b> | <b>8,634,789</b>       | <b>7,944,278</b>                        | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>                    | <b>-</b>                      | <b>-</b>                        | <b>-</b>                    | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 6                   | Substation Structures & Equipment     | 1,663,337         | 814,168                | -                                       | -                        | 849,169                 | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements              | 3,027             | -                      | -                                       | -                        | -                       | 2,282                     | 291                         | -                             | -                               | 265                         | 189                           | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                 | 2,640,346         | -                      | -                                       | -                        | -                       | 1,527,039                 | 521,870                     | -                             | -                               | 270,287                     | 321,151                       | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 360,522           | -                      | -                                       | -                        | -                       | 319,783                   | 40,739                      | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                          | 405,268           | -                      | -                                       | -                        | -                       | -                         | -                           | 146,302                       | 258,966                         | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 85,462            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | 49,824                      | 35,638                        | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                              | 254,547           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | 254,547                | -                    | -                             | -                        | -                                   |
| 14                  | Meters                                | 113,019           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | 113,019              | -                             | -                        | -                                   |
| 15                  | Street Lighting                       | 75,376            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | 75,376                        | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>5,600,904</b>  | <b>814,168</b>         | <b>-</b>                                | <b>-</b>                 | <b>849,169</b>          | <b>1,849,104</b>          | <b>562,899</b>              | <b>146,302</b>                | <b>258,966</b>                  | <b>320,376</b>              | <b>356,978</b>                | <b>254,547</b>         | <b>113,019</b>       | <b>75,376</b>                 | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>22,179,971</b> | <b>9,448,957</b>       | <b>7,944,278</b>                        | <b>-</b>                 | <b>849,169</b>          | <b>1,849,104</b>          | <b>562,899</b>              | <b>146,302</b>                | <b>258,966</b>                  | <b>320,376</b>              | <b>356,978</b>                | <b>254,547</b>         | <b>113,019</b>       | <b>75,376</b>                 | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 336,505           | 143,355                | 120,527                                 | -                        | 12,883                  | 28,054                    | 8,540                       | 2,220                         | 3,929                           | 4,861                       | 5,416                         | 3,862                  | 1,715                | 1,144                         | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 9,998             | 5,207                  | 4,791                                   | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                    | 68,371            | 29,127                 | 24,489                                  | -                        | 2,618                   | 5,700                     | 1,735                       | 451                           | 798                             | 988                         | 1,100                         | 785                    | 348                  | 232                           | -                        | -                                   |
| 23                  | Software - Cust Acctg                 | 35,817            | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | 35,817                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>22,630,662</b> | <b>9,626,646</b>       | <b>8,094,085</b>                        | <b>-</b>                 | <b>864,670</b>          | <b>1,882,858</b>          | <b>573,175</b>              | <b>148,972</b>                | <b>263,694</b>                  | <b>326,224</b>              | <b>363,494</b>                | <b>259,194</b>         | <b>115,082</b>       | <b>76,752</b>                 | <b>35,817</b>            | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Functional Classification of Operating & Maintenance Expense**

|          | 1                                      | 2                 | 3                      | 4                           | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16      | 17                       |                                     |
|----------|----------------------------------------|-------------------|------------------------|-----------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------|--------------------------|-------------------------------------|
| Line No. | Description                            | Total Amount (\$) | Production Demand (\$) | Production and Transmission |                          | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                 |         | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          |                                        |                   |                        | Transmission Energy (\$)    | Transmission Demand (\$) |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting |         |                          |                                     |
|          |                                        |                   |                        |                             |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   |         |                          |                                     |
|          | Production                             |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
| 1        | Diesel                                 | 4,829,615         | 2,515,383              | 2,314,232                   | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 2        | Subtotal Production                    | 4,829,615         | 2,515,383              | 2,314,232                   | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
|          | Transmission                           |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
| 3        | Transmission Lines                     | -                 | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 4        | Terminal Stations                      | -                 | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 5        | Subtotal Transmission                  | -                 | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
|          | Distribution                           |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
| 6        | Other                                  | 695,926           | -                      | -                           | -                        | 58,465                  | 359,059       | 86,321        | 18,768            | 33,220        | 48,879          | 53,783        | 30,739        | -             | 6,692           | -       | -                        |                                     |
| 7        | Meters                                 | 18,543            | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | 18,543        | -               | -       | -                        |                                     |
| 8        | Subtotal Distribution                  | 714,469           | -                      | -                           | -                        | 58,465                  | 359,059       | 86,321        | 18,768            | 33,220        | 48,879          | 53,783        | 30,739        | 18,543        | 6,692           | -       | -                        |                                     |
| 9        | Subttl Prod, Trans, & Dist             | 5,544,084         | 2,515,383              | 2,314,232                   | -                        | 58,465                  | 359,059       | 86,321        | 18,768            | 33,220        | 48,879          | 53,783        | 30,739        | 18,543        | 6,692           | -       | -                        |                                     |
| 10       | Customer Accounting                    | 210,562           | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | 210,562 | -                        |                                     |
|          | Overheads                              |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
|          | Plant-Related:                         |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
| 11       | Production                             | 410,964           | 214,040                | 196,924                     | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 12       | Transmission                           | -                 | -                      | -                           | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 13       | Distribution                           | 189,337           | 27,863                 | -                           | -                        | 17,854                  | 69,927        | 21,072        | 4,704             | 8,327         | 12,459          | 13,661        | 7,575         | 3,606         | 2,288           | -       | -                        |                                     |
| 14       | Prod, Trans, Distn Plant               | 54,753            | 23,528                 | 19,839                      | -                        | 1,259                   | 4,930         | 1,486         | 332               | 587           | 878             | 963           | 534           | 254           | 161             | -       | -                        |                                     |
| 15       | Telecontrol Plant                      | 1,036             | 540                    | 497                         | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -       | -                        |                                     |
| 16       | Prod, Trans, Distn and General Plt     | 422,265           | 181,318                | 152,895                     | -                        | 9,697                   | 37,980        | 11,445        | 2,555             | 4,523         | 6,767           | 7,420         | 4,114         | 1,959         | 1,243           | 350     | -                        |                                     |
| 17       | Property Insurance                     | 18,021            | 9,457                  | 7,974                       | -                        | 506                     | 41            | 12            | 3                 | 5             | 7               | 8             | 4             | 2             | 1               | -       | -                        |                                     |
|          | Expense Related:                       |                   |                        |                             |                          |                         |               |               |                   |               |                 |               |               |               |                 |         |                          |                                     |
| 18       | Municipal Tax                          | 98,010            | -                      | -                           | -                        | 8,020                   | 49,255        | 11,841        | 2,575             | 4,557         | 6,705           | 7,378         | 4,217         | 2,544         | 918             | -       | -                        |                                     |
| 19       | Other Expense Related                  | 3,053,510         | 1,334,704              | 1,227,969                   | -                        | 31,022                  | 190,523       | 45,803        | 9,958             | 17,627        | 25,936          | 28,538        | 16,311        | 9,839         | 3,551           | 111,728 | -                        |                                     |
| 20       | Subtotal Overheads                     | 4,247,896         | 1,791,450              | 1,606,098                   | -                        | 68,359                  | 352,657       | 91,659        | 20,127            | 35,626        | 52,753          | 57,968        | 32,755        | 18,205        | 8,162           | 112,078 | -                        |                                     |
| 21       | Total Operating & Maintenance Expenses | 10,002,543        | 4,306,833              | 3,920,330                   | -                        | 126,824                 | 711,716       | 177,980       | 38,895            | 68,847        | 101,632         | 111,751       | 63,494        | 36,748        | 14,854          | 322,640 | -                        |                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Functional Classification of Operating & Maintenance Expense - Documentation**

1

| Line No. | Description                                       | Basis of Functional Classification                                                                    |
|----------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                 |                                                                                                       |
| 1        | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L7                                                         |
| 2        | <b>Subtotal Production</b>                        |                                                                                                       |
|          | <b>Transmission</b>                               |                                                                                                       |
| 3        | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4        | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5        | <b>Subtotal Transmission</b>                      |                                                                                                       |
|          | <b>Distribution</b>                               |                                                                                                       |
| 6        | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                            | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10       | Customer Accounting                               | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                  |                                                                                                       |
|          | <b>Plant-Related:</b>                             |                                                                                                       |
| 11       | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12       | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13       | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14       | Prod, Trans, Distn Plant                          | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15       | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16       | Prod, Trans, Distn and General Plt                | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
| 17       | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
|          | <b>Expense Related:</b>                           |                                                                                                       |
| 18       | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19       | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20       | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

NEWFOUNDLAND & LABRADOR HYDRO  
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Functional Classification of Depreciation Expense

| Line No.            | 1                                    | 2                 | 3                      | 4                        | 5                        | 6                       | 7                         | 8             | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|--------------------------------------|-------------------|------------------------|--------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                          | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 1                   | Diesel                               | 1,354,098         | 705,248                | 648,850                  | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>           | <b>1,354,098</b>  | <b>705,248</b>         | <b>648,850</b>           | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 3                   | Lines                                | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 4                   | Terminal Stations                    | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>      | <b>-</b>                      | <b>-</b>      | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>             | <b>-</b>                      | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                      |                   |                        |                          |                          |                         |                           |               |                               |               |                             |               |                        |                      |                               |                          |                                     |
| 6                   | Substn Struct & Eqpt                 | 86,225            | 54,184                 | -                        | -                        | 32,041                  | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 7                   | Land & Land Improvements             | 228               | -                      | -                        | -                        | -                       | 172                       | 22            | -                             | -             | 20                          | 14            | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Poles                                | 136,844           | -                      | -                        | -                        | -                       | 79,143                    | 27,047        | -                             | -             | 14,008                      | 16,645        | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Primary Conductor & Equipment        | 20,195            | -                      | -                        | -                        | -                       | 17,913                    | 2,282         | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Submarine Conductor                  | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Transformers                         | 17,636            | -                      | -                        | -                        | -                       | -                         | -             | 6,367                         | 11,270        | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment     | 4,967             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | 2,895                       | 2,071         | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Services                             | 11,319            | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | 11,319                 | -                    | -                             | -                        | -                                   |
| 14                  | Meters                               | 5,514             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 5,514                | -                             | -                        | -                                   |
| 15                  | Street Lighting                      | 3,364             | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | 3,364                         | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>         | <b>286,292</b>    | <b>54,184</b>          | <b>-</b>                 | <b>-</b>                 | <b>32,041</b>           | <b>97,229</b>             | <b>29,351</b> | <b>6,367</b>                  | <b>11,270</b> | <b>16,924</b>               | <b>18,730</b> | <b>11,319</b>          | <b>5,514</b>         | <b>3,364</b>                  | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subtotal Prod Tran &amp; Dist</b> | <b>1,640,390</b>  | <b>759,432</b>         | <b>648,850</b>           | <b>-</b>                 | <b>32,041</b>           | <b>97,229</b>             | <b>29,351</b> | <b>6,367</b>                  | <b>11,270</b> | <b>16,924</b>               | <b>18,730</b> | <b>11,319</b>          | <b>5,514</b>         | <b>3,364</b>                  | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                              | 64,071            | 29,662                 | 25,343                   | -                        | 1,251                   | 3,798                     | 1,146         | 249                           | 440           | 661                         | 732           | 442                    | 215                  | 131                           | -                        | -                                   |
| 19                  | Telecontrol - Common                 | 1,510             | 786                    | 724                      | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 20                  | Telecontrol - Specific               | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Feasibility Studies                  | -                 | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Software - General                   | 151,290           | 70,041                 | 59,842                   | -                        | 2,955                   | 8,967                     | 2,707         | 587                           | 1,039         | 1,561                       | 1,727         | 1,044                  | 509                  | 310                           | -                        | -                                   |
| 23                  | Software - Cust Acctng               | 23,878            | -                      | -                        | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                             | 23,878                   | -                                   |
| 24                  | <b>Total Depreciation Expense</b>    | <b>1,881,139</b>  | <b>859,922</b>         | <b>734,759</b>           | <b>-</b>                 | <b>36,247</b>           | <b>109,994</b>            | <b>33,205</b> | <b>7,203</b>                  | <b>12,749</b> | <b>19,146</b>               | <b>21,189</b> | <b>12,805</b>          | <b>6,238</b>         | <b>3,805</b>                  | <b>23,878</b>            | <b>-</b>                            |

NEWFOUNDLAND & LABRADOR HYDRO  
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Functional Classification of Rate Base

| Line No. | Description                                                     | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Transmission Energy (\$) | 5<br>Transmission Demand (\$) | Distribution                 |                  |                    |                   |                     |                   |                     |                     |                     |                     |                     | 17<br>Specifically Assigned Customer (\$) |
|----------|-----------------------------------------------------------------|------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------------|------------------|--------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------------------------|
|          |                                                                 |                        |                             |                               |                               | 6<br>Substations Demand (\$) | Primary Lines    |                    | Line Transformers |                     | Secondary Lines   |                     | Services            | Meters              | Street Lighting     | Accounting          |                                           |
|          |                                                                 |                        |                             |                               |                               |                              | 7<br>Demand (\$) | 8<br>Customer (\$) | 9<br>Demand (\$)  | 10<br>Customer (\$) | 11<br>Demand (\$) | 12<br>Customer (\$) | 13<br>Customer (\$) | 14<br>Customer (\$) | 15<br>Customer (\$) | 16<br>Customer (\$) |                                           |
| 1        | Average Net Book Value                                          | 22,630,662             | 9,626,646                   | 8,094,085                     | -                             | 864,670                      | 1,882,858        | 573,175            | 148,972           | 263,694             | 326,224           | 363,494             | 259,194             | 115,082             | 76,752              | 35,817              | -                                         |
| 2        | Cash Working Capital                                            | 65,883                 | 28,025                      | 23,564                        | -                             | 2,517                        | 5,481            | 1,669              | 434               | 768                 | 950               | 1,058               | 755                 | 335                 | 223                 | 104                 | -                                         |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                      | -                           | -                             | -                             | -                            | -                | -                  | -                 | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                                         |
| 4        | Fuel Inventory - Diesel                                         | 1,987,144              | -                           | 1,987,144                     | -                             | -                            | -                | -                  | -                 | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                                         |
| 5        | Fuel Inventory - Gas Turbine                                    | -                      | -                           | -                             | -                             | -                            | -                | -                  | -                 | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                                         |
| 6        | Inventory/Supplies                                              | 501,521                | 215,350                     | 181,592                       | -                             | 11,517                       | 45,109           | 13,593             | 3,035             | 5,372               | 8,037             | 8,813               | 4,887               | 2,326               | 1,476               | 415                 | -                                         |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 1,573,925              | 669,517                     | 562,930                       | -                             | 60,136                       | 130,950          | 39,863             | 10,361            | 18,339              | 22,688            | 25,280              | 18,026              | 8,004               | 5,338               | 2,491               | -                                         |
| 8        | Total Rate Base                                                 | 26,759,134             | 10,539,538                  | 10,849,314                    | -                             | 938,841                      | 2,064,398        | 628,299            | 162,802           | 288,172             | 357,899           | 398,645             | 282,861             | 125,747             | 83,789              | 38,828              | -                                         |
| 9        | Less: Rural Portion                                             | (26,759,134)           | (10,539,538)                | (10,849,314)                  | -                             | (938,841)                    | (2,064,398)      | (628,299)          | (162,802)         | (288,172)           | (357,899)         | (398,645)           | (282,861)           | (125,747)           | (83,789)            | (38,828)            | -                                         |
| 10       | Rate Base Available for Equity Return                           | -                      | -                           | -                             | -                             | -                            | -                | -                  | -                 | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                                         |
| 11       | Return on Debt                                                  | 1,795,049              | 707,011                     | 727,791                       | -                             | 62,979                       | 138,483          | 42,147             | 10,921            | 19,331              | 24,009            | 26,742              | 18,975              | 8,435               | 5,621               | 2,605               | -                                         |
| 12       | Return on Equity                                                | -                      | -                           | -                             | -                             | -                            | -                | -                  | -                 | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                                         |
| 13       | Return on Rate Base                                             | 1,795,049              | 707,011                     | 727,791                       | -                             | 62,979                       | 138,483          | 42,147             | 10,921            | 19,331              | 24,009            | 26,742              | 18,975              | 8,435               | 5,621               | 2,605               | -                                         |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Isolated  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        |                                                     |
| 4           | Fuel Inventory - Diesel                                            | Production - Energy                                 |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and Regulatory<br>Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.1,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.1,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Isolated**  
**Basis of Allocation to Classes of Service**

|         | 1                                   | 2      | 3          | 4              | 5            | 6            | 7             | 8            | 9                 | 10           | 11              | 12           | 13               | 14       | 15              | 16           | 17           |
|---------|-------------------------------------|--------|------------|----------------|--------------|--------------|---------------|--------------|-------------------|--------------|-----------------|--------------|------------------|----------|-----------------|--------------|--------------|
|         |                                     |        |            | Production and |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
|         |                                     |        |            |                |              | Distribution |               |              |                   |              |                 |              |                  |          |                 |              |              |
| Line    |                                     | Total  | Production | Transmission   | Transmission | Substations  | Primary Lines |              | Line Transformers |              | Secondary Lines |              | Services         | Meters   | Street Lighting | Accounting   | Specifically |
| No.     | Description                         | Amount | Demand     | Energy         | Demand       | Demand       | Demand        | Customer     | Demand            | Customer     | Demand          | Customer     | Customer         | Customer | Customer        | Customer     | Assigned     |
|         |                                     |        | (CP kW)    | (MWh @ Gen)    | (CP kW)      | (CP kW)      | (CP kW)       | (Rural Cust) | (CP kW)           | (Rural Cust) | (CP kW)         | (Rural Cust) | (Wld Rural Cust) |          | (Rural Cust)    | (Rural Cust) |              |
| Amounts |                                     |        |            |                |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 1       | 1.2 Domestic Diesel                 | -      | 6,504      | 21,461         | 6,461        | 6,459        | 6,002         | 1,999        | 5,908             | 1,999        | 5,679           | 1,999        | 1,999            | 1,999    | -               | 1,999        | -            |
| 2       | 1.2G Government Domestic Diesel     | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 3       | 1.23 Churches, Schools & Com Halls  | -      | 334        | 1,932          | 332          | 332          | 308           | 45           | 303               | 45           | 292             | 45           | 45               | 45       | -               | 45           | -            |
| 4       | 2.2 GS 10-100 kW                    | -      | 25         | 462            | 25           | 25           | 23            | 4            | 23                | 4            | 22              | 4            | 36               | 36       | -               | 4            | -            |
| 5       | 2.3 GS 110-1,000 kVa                | -      | 151        | 1,976          | 150          | 150          | 139           | 8            | 137               | 8            | 131             | 8            | 65               | 65       | -               | 8            | -            |
| 6       | 2.4 GS Over 1,000 kVa               | -      | 74         | 2,645          | 73           | 73           | 68            | 1            | 67                | 1            | 64              | 1            | 9                | 9        | -               | 1            | -            |
| 7       | 2.5 GS Diesel                       | -      | 1,980      | 9,678          | 1,967        | 1,967        | 1,827         | 424          | 1,799             | 424          | 1,729           | 424          | 848              | 848      | -               | 424          | -            |
| 8       | 2.5G Gov't General Service Diesel   | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 9       | 4.1 Street and Area Lighting        | -      | 85         | 264            | 84           | 84           | 78            | 78           | 77                | 78           | 74              | 78           | -                | -        | 78              | 78           | -            |
| 10      | 4.1G Gov't Street and Area Lighting | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 11      | Total                               | -      | 9,153      | 38,419         | 9,092        | 9,090        | 8,446         | 2,559        | 8,313             | 2,559        | 7,991           | 2,559        | 3,001            | 3,001    | 78              | 2,559        | -            |
| Ratios  |                                     |        |            |                |              |              |               |              |                   |              |                 |              |                  |          |                 |              |              |
| 12      | 1.2 Domestic Diesel                 | -      | 0.7106     | 0.5586         | 0.7106       | 0.7106       | 0.7106        | 0.7813       | 0.7106            | 0.7813       | 0.7106          | 0.7813       | 0.6661           | 0.6661   | -               | 0.7813       | -            |
| 13      | 1.2G Government Domestic Diesel     | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 14      | 1.23 Churches, Schools & Com Halls  | -      | 0.0365     | 0.0503         | 0.0365       | 0.0365       | 0.0365        | 0.0175       | 0.0365            | 0.0175       | 0.0365          | 0.0175       | 0.0149           | 0.0149   | -               | 0.0175       | -            |
| 15      | 2.2 GS 10-100 kW                    | -      | 0.0028     | 0.0120         | 0.0028       | 0.0028       | 0.0028        | 0.0017       | 0.0028            | 0.0017       | 0.0028          | 0.0017       | 0.0119           | 0.0119   | -               | 0.0017       | -            |
| 16      | 2.3 GS 110-1,000 kVa                | -      | 0.0165     | 0.0514         | 0.0165       | 0.0165       | 0.0165        | 0.0030       | 0.0165            | 0.0030       | 0.0165          | 0.0030       | 0.0217           | 0.0217   | -               | 0.0030       | -            |
| 17      | 2.4 GS Over 1,000 kVa               | -      | 0.0080     | 0.0688         | 0.0080       | 0.0080       | 0.0080        | 0.0004       | 0.0080            | 0.0004       | 0.0080          | 0.0004       | 0.0029           | 0.0029   | -               | 0.0004       | -            |
| 18      | 2.5 GS Diesel                       | -      | 0.2164     | 0.2519         | 0.2164       | 0.2164       | 0.2164        | 0.1657       | 0.2164            | 0.1657       | 0.2164          | 0.1657       | 0.2826           | 0.2826   | -               | 0.1657       | -            |
| 19      | 2.5G Gov't General Service Diesel   | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 20      | 4.1 Street and Area Lighting        | -      | 0.0093     | 0.0069         | 0.0093       | 0.0093       | 0.0093        | 0.0304       | 0.0093            | 0.0304       | 0.0093          | 0.0304       | -                | -        | 1.0000          | 0.0304       | -            |
| 21      | 4.1G Gov't Street and Area Lighting | -      | -          | -              | -            | -            | -             | -            | -                 | -            | -               | -            | -                | -        | -               | -            | -            |
| 22      | Total                               | -      | 1.0000     | 1.0000         | 1.0000       | 1.0000       | 1.0000        | 1.0000       | 1.0000            | 1.0000       | 1.0000          | 1.0000       | 1.0000           | 1.0000   | 1.0000          | 1.0000       | -            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Labrador Isolated

## Allocation of Functionalized Amounts to Classes of Service

|                                                | 1                                   | 2          | 3          | 4              | 5      | 6            | 7             | 8        | 9                 | 10       | 11              | 12       | 13       | 14       | 15              | 16         | 17           |  |
|------------------------------------------------|-------------------------------------|------------|------------|----------------|--------|--------------|---------------|----------|-------------------|----------|-----------------|----------|----------|----------|-----------------|------------|--------------|--|
|                                                |                                     |            |            | Production and |        | Distribution |               |          |                   |          |                 |          |          |          |                 |            |              |  |
| Line                                           |                                     | Total      | Production | Transmission   | Trans  | Substations  | Primary Lines |          | Line Transformers |          | Secondary Lines |          | Services | Meters   | Street Lightinc | Accounting | Specifically |  |
| No.                                            | Description                         | Amount     | Demand     | Energy         | Demand | Demand       | Demand        | Customer | Demand            | Customer | Demand          | Customer | Customer | Customer | Customer        | Customer   | Assigned     |  |
|                                                |                                     | (\$)       | (\$)       | (\$)           | (\$)   | (\$)         | (\$)          | (\$)     | (\$)              | (\$)     | (\$)            | (\$)     | (\$)     | (\$)     | (\$)            | (\$)       | Customer     |  |
| Allocated Revenue Requirement Excluding Return |                                     |            |            |                |        |              |               |          |                   |          |                 |          |          |          |                 |            |              |  |
| 1                                              | 1.2 Domestic Diesel                 | 10,636,295 | 3,662,538  | 5,528,971      | -      | 116,260      | 556,839       | 155,060  | 32,745            | 63,723   | 81,137          | 97,751   | 50,817   | 24,786   | -               | 265,667    | -            |  |
| 2                                              | 1.2G Government Domestic Diesel     | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 3                                              | 1.23 Churches, Schools & Com Halls  | 740,994    | 188,004    | 497,840        | -      | 5,968        | 28,583        | 3,478    | 1,681             | 1,429    | 4,165           | 2,192    | 1,140    | 556      | -               | 5,958      | -            |  |
| 4                                              | 2.2 GS 10-100 kW                    | 138,979    | 14,264     | 119,015        | -      | 453          | 2,169         | 343      | 128               | 141      | 316             | 216      | 906      | 442      | -               | 587        | -            |  |
| 5                                              | 2.3 GS 110-1,000 kVa                | 616,788    | 84,807     | 509,091        | -      | 2,692        | 12,894        | 588      | 758               | 242      | 1,879           | 371      | 1,652    | 806      | -               | 1,008      | -            |  |
| 6                                              | 2.4 GS Over 1,000 kVa               | 732,390    | 41,421     | 681,453        | -      | 1,315        | 6,297         | 78       | 370               | 32       | 918             | 49       | 218      | 106      | -               | 133        | -            |  |
| 7                                              | 2.5 GS Diesel                       | 4,003,734  | 1,115,123  | 2,493,416      | -      | 35,397       | 169,539       | 32,894   | 9,970             | 13,518   | 24,704          | 20,737   | 21,561   | 10,516   | -               | 56,358     | -            |  |
| 8                                              | 2.5G Gov't General Service Diesel   | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 9                                              | 4.1 Street and Area Lighting        | 167,416    | 47,827     | 67,986         | -      | 1,518        | 7,271         | 6,031    | 428               | 2,478    | 1,060           | 3,802    | -        | -        | 18,683          | 10,333     | -            |  |
| 10                                             | 4.1G Gov't Street and Area Lighting | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 11                                             | Total                               | 17,036,595 | 5,153,985  | 9,897,773      | -      | 163,604      | 783,593       | 198,471  | 46,079            | 81,563   | 114,177         | 125,118  | 76,294   | 37,213   | 18,683          | 340,044    | -            |  |
| Allocated Return on Debt                       |                                     |            |            |                |        |              |               |          |                   |          |                 |          |          |          |                 |            |              |  |
| 12                                             | 1.2 Domestic Diesel                 | 1,166,169  | 502,418    | 406,549        | -      | 44,754       | 98,409        | 32,929   | 7,761             | 15,103   | 17,061          | 20,893   | 12,639   | 5,619    | -               | 2,035      | -            |  |
| 13                                             | 1.2G Government Domestic Diesel     | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 14                                             | 1.23 Churches, Schools & Com Halls  | 73,020     | 25,790     | 36,607         | -      | 2,297        | 5,052         | 738      | 398               | 339      | 876             | 469      | 283      | 126      | -               | 46         | -            |  |
| 15                                             | 2.2 GS 10-100 kW                    | 11,845     | 1,957      | 8,751          | -      | 174          | 383           | 73       | 30                | 33       | 66              | 46       | 225      | 100      | -               | 4          | -            |  |
| 16                                             | 2.3 GS 110-1,000 kVa                | 53,820     | 11,634     | 37,434         | -      | 1,036        | 2,279         | 125      | 180               | 57       | 395             | 79       | 411      | 183      | -               | 8          | -            |  |
| 17                                             | 2.4 GS Over 1,000 kVa               | 57,803     | 5,682      | 50,108         | -      | 506          | 1,113         | 16       | 88                | 8        | 193             | 10       | 54       | 24       | -               | 1          | -            |  |
| 18                                             | 2.5 GS Diesel                       | 410,258    | 152,970    | 183,343        | -      | 13,626       | 29,962        | 6,985    | 2,363             | 3,204    | 5,195           | 4,432    | 5,362    | 2,384    | -               | 432        | -            |  |
| 19                                             | 2.5G Gov't General Service Diesel   | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 20                                             | 4.1 Street and Area Lighting        | 22,134     | 6,561      | 4,999          | -      | 584          | 1,285         | 1,281    | 101               | 587      | 223             | 813      | -        | -        | 5,621           | 79         | -            |  |
| 21                                             | 4.1G Gov't Street and Area Lighting | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 22                                             | Total                               | 1,795,049  | 707,011    | 727,791        | -      | 62,979       | 138,483       | 42,147   | 10,921            | 19,331   | 24,009          | 26,742   | 18,975   | 8,435    | 5,621           | 2,605      | -            |  |
| Allocated Return on Equity                     |                                     |            |            |                |        |              |               |          |                   |          |                 |          |          |          |                 |            |              |  |
| 23                                             | All Classes                         | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| Total Allocated Revenue Requirement            |                                     |            |            |                |        |              |               |          |                   |          |                 |          |          |          |                 |            |              |  |
| 24                                             | 1.2 Domestic Diesel                 | 11,802,464 | 4,164,956  | 5,935,520      | -      | 161,015      | 655,249       | 187,988  | 40,505            | 78,826   | 98,198          | 118,644  | 63,456   | 30,405   | -               | 267,702    | -            |  |
| 25                                             | 1.2G Government Domestic Diesel     | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 26                                             | 1.23 Churches, Schools & Com Halls  | 814,014    | 213,794    | 534,447        | -      | 8,265        | 33,635        | 4,216    | 2,079             | 1,768    | 5,041           | 2,661    | 1,423    | 682      | -               | 6,004      | -            |  |
| 27                                             | 2.2 GS 10-100 kW                    | 150,824    | 16,221     | 127,767        | -      | 627          | 2,552         | 415      | 158               | 174      | 382             | 262      | 1,132    | 542      | -               | 591        | -            |  |
| 28                                             | 2.3 GS 110-1,000 kVa                | 670,608    | 96,441     | 546,524        | -      | 3,728        | 15,173        | 713      | 938               | 299      | 2,274           | 450      | 2,063    | 989      | -               | 1,016      | -            |  |
| 29                                             | 2.4 GS Over 1,000 kVa               | 790,193    | 47,103     | 731,561        | -      | 1,821        | 7,410         | 94       | 458               | 39       | 1,111           | 59       | 272      | 130      | -               | 134        | -            |  |
| 30                                             | 2.5 GS Diesel                       | 4,413,992  | 1,268,093  | 2,676,759      | -      | 49,024       | 199,502       | 39,880   | 12,333            | 16,722   | 29,898          | 25,169   | 26,923   | 12,900   | -               | 56,790     | -            |  |
| 31                                             | 2.5G Gov't General Service Diesel   | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 32                                             | 4.1 Street and Area Lighting        | 189,550    | 54,388     | 72,985         | -      | 2,103        | 8,557         | 7,311    | 529               | 3,066    | 1,282           | 4,614    | -        | -        | 24,304          | 10,412     | -            |  |
| 33                                             | 4.1G Gov't Street and Area Lighting | -          | -          | -              | -      | -            | -             | -        | -                 | -        | -               | -        | -        | -        | -               | -          | -            |  |
| 34                                             | Total                               | 18,831,644 | 5,860,995  | 10,625,564     | -      | 226,583      | 922,077       | 240,618  | 57,000            | 100,894  | 138,186         | 151,860  | 95,269   | 45,648   | 24,304          | 342,649    | -            |  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Functional Classification of Revenue Requirement

| Line No. | 1                                              | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10            | 11                                       | 12             | 13                     | 14                   | 15                           | 16                       | 17                                  |
|----------|------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|---------------|------------------------------------------|----------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|          | Description                                    | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$) | Distribution Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
|          | <b>Expenses</b>                                |                   |                        |                                         |                          |                         |                           |                |                               |               |                                          |                |                        |                      |                              |                          |                                     |
| 1        | Operating & Maintenance                        | 864,189           | 386,512                | -                                       | -                        | 23,457                  | 176,130                   | 44,492         | 8,464                         | 14,981        | 25,395                                   | 27,945         | 13,760                 | 16,546               | 3,096                        | 123,411                  | -                                   |
| 2        | Fuels                                          | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 3        | Fuels-Diesel                                   | 72,276            | -                      | 72,276                                  | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 4        | Fuels-Gas Turbine                              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 5        | Power Purchases -CF(L)Co                       | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 6        | Power Purchases-Other                          | 731,346           | -                      | 731,346                                 | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 7        | Depreciation                                   | 389,121           | 142,166                | -                                       | -                        | 1,339                   | 127,289                   | 39,176         | 4,252                         | 7,527         | 22,769                                   | 25,252         | 5,106                  | 3,480                | 1,628                        | 9,137                    | -                                   |
|          | <b>Expense Credits</b>                         |                   |                        |                                         |                          |                         |                           |                |                               |               |                                          |                |                        |                      |                              |                          |                                     |
| 8        | Sundry                                         | (4,901)           | (2,192)                | -                                       | -                        | (133)                   | (999)                     | (252)          | (48)                          | (85)          | (144)                                    | (158)          | (78)                   | (94)                 | (18)                         | (700)                    | -                                   |
| 9        | Building Rental Income                         | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 10       | Tax Refunds                                    | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 11       | Suppliers' Discounts                           | (681)             | (304)                  | -                                       | -                        | (18)                    | (139)                     | (35)           | (7)                           | (12)          | (20)                                     | (22)           | (11)                   | (13)                 | (2)                          | (97)                     | -                                   |
| 12       | Pole Attachments                               | (39,753)          | -                      | -                                       | -                        | -                       | (22,991)                  | (7,857)        | -                             | -             | (4,069)                                  | (4,835)        | -                      | -                    | -                            | -                        | -                                   |
| 13       | Secondary Energy Revenues                      | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 14       | Wheeling Revenues                              | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 15       | Misc Cust & Mtr Test Rev                       | (2,187)           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | (2,187)              | -                            | -                        | -                                   |
| 16       | Application Fees                               | (854)             | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | (854)                    | -                                   |
| 17       | <b>Total Expense Credits</b>                   | <b>(48,376)</b>   | <b>(2,496)</b>         | <b>-</b>                                | <b>-</b>                 | <b>(152)</b>            | <b>(24,129)</b>           | <b>(8,145)</b> | <b>(55)</b>                   | <b>(97)</b>   | <b>(4,233)</b>                           | <b>(5,016)</b> | <b>(89)</b>            | <b>(2,294)</b>       | <b>(20)</b>                  | <b>(1,651)</b>           | <b>-</b>                            |
| 18       | <b>Subtotal Expenses</b>                       | <b>2,008,555</b>  | <b>526,181</b>         | <b>803,621</b>                          | <b>-</b>                 | <b>24,644</b>           | <b>279,291</b>            | <b>75,524</b>  | <b>12,661</b>                 | <b>22,412</b> | <b>43,930</b>                            | <b>48,181</b>  | <b>18,776</b>          | <b>17,732</b>        | <b>4,705</b>                 | <b>130,896</b>           | <b>-</b>                            |
| 19       | Disposal Gain / Loss                           | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 20       | <b>Subtotal Revenue Requirement Ex. Return</b> | <b>2,008,555</b>  | <b>526,181</b>         | <b>803,621</b>                          | <b>-</b>                 | <b>24,644</b>           | <b>279,291</b>            | <b>75,524</b>  | <b>12,661</b>                 | <b>22,412</b> | <b>43,930</b>                            | <b>48,181</b>  | <b>18,776</b>          | <b>17,732</b>        | <b>4,705</b>                 | <b>130,896</b>           | <b>-</b>                            |
| 21       | Return on Debt                                 | 377,394           | 83,271                 | 2,230                                   | -                        | 1,708                   | 156,434                   | 48,577         | 4,838                         | 8,563         | 27,263                                   | 30,688         | 6,452                  | 4,308                | 2,065                        | 997                      | -                                   |
| 22       | Return on Equity                               | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -             | -                                        | -              | -                      | -                    | -                            | -                        | -                                   |
| 23       | <b>Total Revenue Requirement</b>               | <b>2,385,949</b>  | <b>609,453</b>         | <b>805,851</b>                          | <b>-</b>                 | <b>26,352</b>           | <b>435,725</b>            | <b>124,101</b> | <b>17,499</b>                 | <b>30,975</b> | <b>71,193</b>                            | <b>78,869</b>  | <b>25,229</b>          | <b>22,040</b>        | <b>6,769</b>                 | <b>131,893</b>           | <b>-</b>                            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## L'Anse au Loup

## Functional Classification of Revenue Requirement - Documentation

| Line<br>No. | 1<br>Description                                   | 2<br>Basis of Functional Classification                           |
|-------------|----------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                    |                                                                   |
| 1           | Operating & Maintenance                            | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                              | Production - Energy                                               |
| 3           | Fuels-Diesel                                       | Production - Energy                                               |
| 4           | Fuels-Gas Turbine                                  | Production - Energy                                               |
| 5           | Power Purchases -CF(L)Co                           |                                                                   |
| 6           | Power Purchases-Other                              | Carryforward from Sch.4.4 L.12                                    |
| 7           | Depreciation                                       | Carryforward from Sch.2.5 L.24                                    |
|             | <b>Expense Credits</b>                             |                                                                   |
| 8           | Sundry                                             | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                             | Prorated on General Plant - Sch.2.2 L.18                          |
| 10          | Tax Refunds                                        | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                               | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                                   | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                          | Production - Energy                                               |
| 14          | Wheeling Revenues                                  | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Misc Cust & Mtr Test Rev                           | Meters - Customer                                                 |
| 16          | Application Fees                                   | Accounting - Customer                                             |
| 17          | <b>Total Expense Credits</b>                       |                                                                   |
| 18          | <b>Subtotal Expenses</b>                           |                                                                   |
| 19          | Disposal Gain / Loss                               | Prorated on Total Net Book Value - Sch.2.3 L.24                   |
| 20          | <b>Subtotal Revenue Requirement Ex.<br/>Return</b> |                                                                   |
| 21          | Return on Debt                                     | Prorated on Rate Base - Sch.2.6 L.8                               |
| 22          | Return on Equity                                   | Prorated on Rate Base - Sch.2.6 L.10                              |
| 23          | <b>Total Revenue Requirement</b>                   |                                                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup

Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                           | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|------------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)    | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 1                   | Diesel                                | 3,122,379         | 3,122,379              | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>3,122,379</b>  | <b>3,122,379</b>       | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>         | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 6                   | Substation Structures & Equipment     | 90,204            | 44,995                 | -                                       | -                        | 45,210                  | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 7                   | Land & Land Improvements              | 15,995            | -                      | -                                       | -                        | -                       | 12,059                    | 1,536            | -                             | -              | 1,399                       | 1,000          | -                      | -                    | -                            | -                        | -                                   |
| 8                   | Poles                                 | 5,072,240         | -                      | -                                       | -                        | -                       | 2,933,520                 | 1,002,538        | -                             | -              | 519,235                     | 616,947        | -                      | -                    | -                            | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 747,390           | -                      | -                                       | -                        | -                       | 662,935                   | 84,455           | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 11                  | Transformers                          | 310,895           | -                      | -                                       | -                        | -                       | -                         | -                | 112,233                       | 198,662        | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 199,805           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | 116,486                     | 83,319         | -                      | -                    | -                            | -                        | -                                   |
| 13                  | Services                              | 173,271           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | 173,271                | -                    | -                            | -                        | -                                   |
| 14                  | Meters                                | 97,250            | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | 97,250               | -                            | -                        | -                                   |
| 15                  | Street Lighting                       | 48,097            | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | 48,097                       | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>6,755,147</b>  | <b>44,995</b>          | <b>-</b>                                | <b>-</b>                 | <b>45,210</b>           | <b>3,608,514</b>          | <b>1,088,530</b> | <b>112,233</b>                | <b>198,662</b> | <b>637,120</b>              | <b>701,266</b> | <b>173,271</b>         | <b>97,250</b>        | <b>48,097</b>                | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>9,877,526</b>  | <b>3,167,374</b>       | <b>-</b>                                | <b>-</b>                 | <b>45,210</b>           | <b>3,608,514</b>          | <b>1,088,530</b> | <b>112,233</b>                | <b>198,662</b> | <b>637,120</b>              | <b>701,266</b> | <b>173,271</b>         | <b>97,250</b>        | <b>48,097</b>                | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 703,263           | 225,512                | -                                       | -                        | 3,219                   | 256,920                   | 77,502           | 7,991                         | 14,144         | 45,362                      | 49,929         | 12,337                 | 6,924                | 3,424                        | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 75,906            | 75,906                 | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 22                  | Software - General                    | 22,482            | 7,209                  | -                                       | -                        | 103                     | 8,213                     | 2,478            | 255                           | 452            | 1,450                       | 1,596          | 394                    | 221                  | 109                          | -                        | -                                   |
| 23                  | Software - Cust Acctng                | 13,705            | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -              | -                           | -              | -                      | -                    | -                            | 13,705                   | -                                   |
| 24                  | <b>Total Plant</b>                    | <b>10,692,882</b> | <b>3,476,000</b>       | <b>-</b>                                | <b>-</b>                 | <b>48,532</b>           | <b>3,873,648</b>          | <b>1,168,509</b> | <b>120,479</b>                | <b>213,258</b> | <b>683,932</b>              | <b>752,791</b> | <b>186,002</b>         | <b>104,395</b>       | <b>51,631</b>                | <b>13,705</b>            | <b>-</b>                            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## L'Anse au Loup

## Functional Classification of Plant in Service for the Allocation of O&amp;M Expense

| Line No. | 1<br>Description                      | 2<br>Basis of Functional Classification                                                          |
|----------|---------------------------------------|--------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                     |                                                                                                  |
| 1        | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.8                                                   |
| 2        | <b>Subtotal Production</b>            |                                                                                                  |
|          | <b>Transmission</b>                   |                                                                                                  |
| 3        | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr |
| 4        | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                |
| 5        | <b>Subtotal Transmission</b>          |                                                                                                  |
|          | <b>Distribution</b>                   |                                                                                                  |
| 6        | Substation Structures & Equipment     | Production - Demand; Dist Substns - Demand                                                       |
| 7        | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                       |
| 8        | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                       |
| 9        | Primary Conductor & Equipment         | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                  |
| 10       | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                  |
| 11       | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                             |
| 12       | Secondary Conductors & Equipment      | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                               |
| 13       | Services                              | Services Customer                                                                                |
| 14       | Meters                                | Meters - Customer                                                                                |
| 15       | Street Lighting                       | Street Lighting - Customer                                                                       |
| 16       | <b>Subtotal Distribution</b>          |                                                                                                  |
| 17       | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                  |
| 18       | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 19       | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 2, 5                             |
| 20       | Telecontrol - Specific                | Specifically Assigned - Customer                                                                 |
| 21       | Feasibility Studies                   | Production, Transmission - Demand                                                                |
| 22       | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.17                       |
| 23       | Software - Cust Acctg                 | Customer Accounting                                                                              |
| 24       | <b>Total Plant</b>                    |                                                                                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Functional Classification of Net Book Value

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                           | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 1                   | Diesel                                | 1,028,552         | 1,028,552              | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 2                   | <b>Subtotal Production</b>            | <b>1,028,552</b>  | <b>1,028,552</b>       | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 3                   | Lines                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 4                   | Terminal Stations                     | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 5                   | <b>Subtotal Transmission</b>          | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>       | <b>-</b>                      | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                              |                          |                                     |
| 6                   | Substation Structures & Equipment     | 24,002            | 1,851                  | -                                       | -                        | 22,151                  | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 7                   | Land & Land Improvements              | 8,893             | -                      | -                                       | -                        | -                       | 6,705                     | 854            | -                             | -              | 778                         | 556            | -                      | -                    | -                            | -                        | -                                   |
| 8                   | Poles                                 | 3,008,806         | -                      | -                                       | -                        | -                       | 1,740,137                 | 594,697        | -                             | -              | 308,005                     | 365,967        | -                      | -                    | -                            | -                        | -                                   |
| 9                   | Primary Conductor & Equipment         | 324,734           | -                      | -                                       | -                        | -                       | 288,039                   | 36,695         | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 10                  | Submarine Conductor                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 11                  | Transformers                          | 174,302           | -                      | -                                       | -                        | -                       | -                         | -              | 62,923                        | 111,379        | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 12                  | Secondary Conductors & Equipment      | 78,498            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | 45,764                      | 32,734         | -                      | -                    | -                            | -                        | -                                   |
| 13                  | Services                              | 83,658            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | 83,658                 | -                    | -                            | -                        | -                                   |
| 14                  | Meters                                | 56,064            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 56,064               | -                            | -                        | -                                   |
| 15                  | Street Lighting                       | 26,853            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | 26,853                       | -                        | -                                   |
| 16                  | <b>Subtotal Distribution</b>          | <b>3,785,809</b>  | <b>1,851</b>           | <b>-</b>                                | <b>-</b>                 | <b>22,151</b>           | <b>2,034,881</b>          | <b>632,246</b> | <b>62,923</b>                 | <b>111,379</b> | <b>354,547</b>              | <b>399,257</b> | <b>83,658</b>          | <b>56,064</b>        | <b>26,853</b>                | <b>-</b>                 | <b>-</b>                            |
| 17                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>4,814,361</b>  | <b>1,030,403</b>       | <b>-</b>                                | <b>-</b>                 | <b>22,151</b>           | <b>2,034,881</b>          | <b>632,246</b> | <b>62,923</b>                 | <b>111,379</b> | <b>354,547</b>              | <b>399,257</b> | <b>83,658</b>          | <b>56,064</b>        | <b>26,853</b>                | <b>-</b>                 | <b>-</b>                            |
| 18                  | General                               | 216,221           | 46,277                 | -                                       | -                        | 995                     | 91,390                    | 28,395         | 2,826                         | 5,002          | 15,923                      | 17,931         | 3,757                  | 2,518                | 1,206                        | -                        | -                                   |
| 19                  | Telecontrol - Common                  | 40,034            | 40,034                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 20                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 21                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | -                        | -                                   |
| 22                  | Software - General                    | 14,841            | 3,176                  | -                                       | -                        | 68                      | 6,273                     | 1,949          | 194                           | 343            | 1,093                       | 1,231          | 258                    | 173                  | 83                           | -                        | -                                   |
| 23                  | Software - Cust Acctng                | 13,705            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                            | 13,705                   | -                                   |
| 24                  | <b>Total Net Book Value</b>           | <b>5,099,161</b>  | <b>1,119,890</b>       | <b>-</b>                                | <b>-</b>                 | <b>23,214</b>           | <b>2,132,543</b>          | <b>662,590</b> | <b>65,943</b>                 | <b>116,724</b> | <b>371,564</b>              | <b>418,419</b> | <b>87,673</b>          | <b>58,755</b>        | <b>28,142</b>                | <b>13,705</b>            | <b>-</b>                            |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**L'Anse au Loup**  
**Functional Classification of Operating & Maintenance Expense**

| Line No.                | 1                                                 | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8             | 9                             | 10            | 11                          | 12            | 13                     | 14                   | 15                           | 16                       | 17                                  |
|-------------------------|---------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|---------------|-------------------------------|---------------|-----------------------------|---------------|------------------------|----------------------|------------------------------|--------------------------|-------------------------------------|
|                         | Description                                       | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$) | Line Transformers Demand (\$) | Customer (\$) | Secondary Lines Demand (\$) | Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lightin Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>       |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| 1                       | Diesel                                            | 191,198           | 191,198                | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 2                       | <b>Subtotal Production</b>                        | <b>191,198</b>    | <b>191,198</b>         | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| <b>Transmission</b>     |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| 3                       | Transmission Lines                                | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 4                       | Terminal Stations                                 | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 5                       | <b>Subtotal Transmission</b>                      | <b>-</b>          | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>-</b>                | <b>-</b>                  | <b>-</b>      | <b>-</b>                      | <b>-</b>      | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                            |
| <b>Distribution</b>     |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| 6                       | Other                                             | 161,194           | -                      | -                                       | -                        | 13,542                  | 83,167                    | 19,994        | 4,347                         | 7,695         | 11,322                      | 12,457        | 7,120                  | -                    | 1,550                        | -                        | -                                   |
| 7                       | Meters                                            | 9,199             | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | 9,199                | -                            | -                        | -                                   |
| 8                       | <b>Subtotal Distribution</b>                      | <b>170,392</b>    | <b>-</b>               | <b>-</b>                                | <b>-</b>                 | <b>13,542</b>           | <b>83,167</b>             | <b>19,994</b> | <b>4,347</b>                  | <b>7,695</b>  | <b>11,322</b>               | <b>12,457</b> | <b>7,120</b>           | <b>9,199</b>         | <b>1,550</b>                 | <b>-</b>                 | <b>-</b>                            |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>             | <b>361,590</b>    | <b>191,198</b>         | <b>-</b>                                | <b>-</b>                 | <b>13,542</b>           | <b>83,167</b>             | <b>19,994</b> | <b>4,347</b>                  | <b>7,695</b>  | <b>11,322</b>               | <b>12,457</b> | <b>7,120</b>           | <b>9,199</b>         | <b>1,550</b>                 | <b>-</b>                 | <b>-</b>                            |
| 10                      | Customer Accounting                               | 80,570            | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | 80,570                   | -                                   |
| <b>Overheads</b>        |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| <b>Plant-Related:</b>   |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| 11                      | Production                                        | 79,605            | 79,605                 | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 12                      | Transmission                                      | -                 | -                      | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 13                      | Distribution                                      | 55,351            | 369                    | -                                       | -                        | 370                     | 29,568                    | 8,919         | 920                           | 1,628         | 5,220                       | 5,746         | 1,420                  | 797                  | 394                          | -                        | -                                   |
| 14                      | Prod, Trans, Distn Plant                          | 12,812            | 4,108                  | -                                       | -                        | 59                      | 4,681                     | 1,412         | 146                           | 258           | 826                         | 910           | 225                    | 126                  | 62                           | -                        | -                                   |
| 15                      | Telecontrol Plant                                 | 5,209             | 5,209                  | -                                       | -                        | -                       | -                         | -             | -                             | -             | -                           | -             | -                      | -                    | -                            | -                        | -                                   |
| 16                      | Prod, Trans, Distn & General Plt                  | 1,510             | 491                    | -                                       | -                        | 7                       | 547                       | 165           | 17                            | 30            | 97                          | 106           | 26                     | 15                   | 7                            | 2                        | -                                   |
| 17                      | Property Insurance                                | 4,455             | 3,872                  | -                                       | -                        | 54                      | 287                       | 87            | 9                             | 16            | 51                          | 56            | 14                     | 8                    | 4                            | -                        | -                                   |
| <b>Expense Related:</b> |                                                   |                   |                        |                                         |                          |                         |                           |               |                               |               |                             |               |                        |                      |                              |                          |                                     |
| 18                      | Municipal Tax                                     | 27,989            | -                      | -                                       | -                        | 2,224                   | 13,661                    | 3,284         | 714                           | 1,264         | 1,860                       | 2,046         | 1,170                  | 1,511                | 255                          | -                        | -                                   |
| 19                      | Other Expense Related                             | 235,097           | 101,660                | -                                       | -                        | 7,200                   | 44,220                    | 10,631        | 2,311                         | 4,091         | 6,020                       | 6,624         | 3,786                  | 4,891                | 824                          | 42,839                   | -                                   |
| 20                      | <b>Subtotal Overheads</b>                         | <b>422,029</b>    | <b>195,314</b>         | <b>-</b>                                | <b>-</b>                 | <b>9,915</b>            | <b>92,963</b>             | <b>24,498</b> | <b>4,117</b>                  | <b>7,287</b>  | <b>14,073</b>               | <b>15,488</b> | <b>6,640</b>           | <b>7,347</b>         | <b>1,546</b>                 | <b>42,841</b>            | <b>-</b>                            |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b> | <b>864,189</b>    | <b>386,512</b>         | <b>-</b>                                | <b>-</b>                 | <b>23,457</b>           | <b>176,130</b>            | <b>44,492</b> | <b>8,464</b>                  | <b>14,981</b> | <b>25,395</b>               | <b>27,945</b> | <b>13,760</b>          | <b>16,546</b>        | <b>3,096</b>                 | <b>123,411</b>           | <b>-</b>                            |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## L'Anse au Loup

## Functional Classification of Operating &amp; Maintenance Expense - Documentation

1

| Line No.            | Description                                       | Basis of Functional Classification                                                                    |
|---------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Production</b>   |                                                   |                                                                                                       |
| 1                   | Diesel                                            | Production - Demand, Energy ratios Sch.4.1 L.8                                                        |
| 2                   | <b>Subtotal Production</b>                        |                                                                                                       |
| <b>Transmission</b> |                                                   |                                                                                                       |
| 3                   | Transmission Lines                                | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3                                         |
| 4                   | Terminal Stations                                 | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4                             |
| 5                   | <b>Subtotal Transmission</b>                      |                                                                                                       |
| <b>Distribution</b> |                                                   |                                                                                                       |
| 6                   | Other                                             | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7                   | Meters                                            | Meters - Customer                                                                                     |
| 8                   | <b>Subtotal Distribution</b>                      |                                                                                                       |
| 9                   | <b>Subttl Prod, Trans, &amp; Dist</b>             |                                                                                                       |
| 10                  | Customer Accounting                               | Accounting - Customer                                                                                 |
| <b>Overheads</b>    |                                                   |                                                                                                       |
| Plant-Related:      |                                                   |                                                                                                       |
| 11                  | Production                                        | Prorated on Production Plant in Service - Sch.2.2 L.2                                                 |
| 12                  | Transmission                                      | Prorated on Transmission Plant in Service - Sch.2.2 L.5                                               |
| 13                  | Distribution                                      | Prorated on Distribution Plant in Service - Sch.2.2 L.16                                              |
| 14                  | Prod, Trans, Distr Plant                          | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 15                  | Telecontrol Plant                                 | Prorated on Telecontrol Plant in Service - Sch.2.2 L.19, 20                                           |
| 16                  | Prod, Trans, Distr & General Plt                  | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24          |
| 17                  | Property Insurance                                | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 20 |
| Expense Related:    |                                                   |                                                                                                       |
| 18                  | Municipal Tax                                     | Prorated on Distribution Expenses - L.8                                                               |
| 19                  | Other Expense Related                             | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.9, 10            |
| 20                  | <b>Subtotal Overheads</b>                         |                                                                                                       |
| 21                  | <b>Total Operating &amp; Maintenance Expenses</b> |                                                                                                       |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Functional Classification of Depreciation Expense

| Line No.            | Description                          | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Distribution Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lightin Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|--------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|------------------------------------------------|---------------------|------------------------------|----------------------------|------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                      |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                    |                                |                                           |
| 1                   | Diesel                               | 106,655                | 106,655                     | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 2                   | <b>Subtotal Production</b>           | <b>106,655</b>         | <b>106,655</b>              | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| <b>Transmission</b> |                                      |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                    |                                |                                           |
| 3                   | Lines                                | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 4                   | Terminal Stations                    | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 5                   | <b>Subtotal Transmission</b>         | <b>-</b>               | <b>-</b>                    | <b>-</b>                                     | <b>-</b>                      | <b>-</b>                     | <b>-</b>                       | <b>-</b>           | <b>-</b>                           | <b>-</b>            | <b>-</b>                                       | <b>-</b>            | <b>-</b>                     | <b>-</b>                   | <b>-</b>                           | <b>-</b>                       | <b>-</b>                                  |
| <b>Distribution</b> |                                      |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                                |                     |                              |                            |                                    |                                |                                           |
| 6                   | Substation Structures & Equipment    | 1,200                  | 148                         | -                                            | -                             | 1,052                        | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 7                   | Land & Land Improvements             | 394                    | -                           | -                                            | -                             | -                            | 297                            | 38                 | -                                  | -                   | 34                                             | 25                  | -                            | -                          | -                                  | -                              | -                                         |
| 8                   | Poles                                | 145,567                | -                           | -                                            | -                             | -                            | 84,188                         | 28,772             | -                                  | -                   | 14,901                                         | 17,706              | -                            | -                          | -                                  | -                              | -                                         |
| 9                   | Primary Conductor & Equipment        | 17,544                 | -                           | -                                            | -                             | -                            | 15,562                         | 1,982              | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 10                  | Submarine Conductor                  | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 11                  | Transformers                         | 9,259                  | -                           | -                                            | -                             | -                            | -                              | -                  | 3,342                              | 5,916               | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 12                  | Secondary Conductors & Equipment     | 5,077                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 2,960                                          | 2,117               | -                            | -                          | -                                  | -                              | -                                         |
| 13                  | Services                             | 4,013                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | 4,013                        | -                          | -                                  | -                              | -                                         |
| 14                  | Meters                               | 2,735                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | 2,735                      | -                                  | -                              | -                                         |
| 15                  | Street Lighting                      | 1,280                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | 1,280                              | -                              | -                                         |
| 16                  | <b>Subtotal Distribution</b>         | <b>187,069</b>         | <b>148</b>                  | <b>-</b>                                     | <b>-</b>                      | <b>1,052</b>                 | <b>100,047</b>                 | <b>30,792</b>      | <b>3,342</b>                       | <b>5,916</b>        | <b>17,896</b>                                  | <b>19,847</b>       | <b>4,013</b>                 | <b>2,735</b>               | <b>1,280</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 17                  | <b>Subtotal Prod Tran &amp; Dist</b> | <b>293,724</b>         | <b>106,803</b>              | <b>-</b>                                     | <b>-</b>                      | <b>1,052</b>                 | <b>100,047</b>                 | <b>30,792</b>      | <b>3,342</b>                       | <b>5,916</b>        | <b>17,896</b>                                  | <b>19,847</b>       | <b>4,013</b>                 | <b>2,735</b>               | <b>1,280</b>                       | <b>-</b>                       | <b>-</b>                                  |
| 18                  | General                              | 52,890                 | 19,232                      | -                                            | -                             | 190                          | 18,015                         | 5,545              | 602                                | 1,065               | 3,222                                          | 3,574               | 723                          | 493                        | 230                                | -                              | -                                         |
| 19                  | Telecontrol - Common                 | 6,281                  | 6,281                       | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 20                  | Telecontrol - Specific               | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 21                  | Feasibility Studies                  | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | -                              | -                                         |
| 22                  | Software - General                   | 27,090                 | 9,850                       | -                                            | -                             | 97                           | 9,227                          | 2,840              | 308                                | 546                 | 1,650                                          | 1,830               | 370                          | 252                        | 118                                | -                              | -                                         |
| 23                  | Software - Cust Acctng               | 9,137                  | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                              | -                   | -                            | -                          | -                                  | 9,137                          | -                                         |
| 24                  | <b>Total Depreciation Expense</b>    | <b>389,121</b>         | <b>142,166</b>              | <b>-</b>                                     | <b>-</b>                      | <b>1,339</b>                 | <b>127,289</b>                 | <b>39,176</b>      | <b>4,252</b>                       | <b>7,527</b>        | <b>22,769</b>                                  | <b>25,252</b>       | <b>5,106</b>                 | <b>3,480</b>               | <b>1,628</b>                       | <b>9,137</b>                   | <b>-</b>                                  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Functional Classification of Rate Base

|          | 1                                                               | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15             | 16            | 17                                  |
|----------|-----------------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|----------------|---------------|-------------------------------------|
| Line No. | Description                                                     | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Distribution  |               |                   |               |                 |               |               |               |                |               | Specifically Assigned Customer (\$) |
|          |                                                                 |                   |                        |                                         |                          |                         | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lightin | Accounting    |                                     |
|          |                                                                 |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)  | Customer (\$) |                                     |
| 1        | Average Net Book Value                                          | 5,099,161         | 1,119,890              | -                                       | -                        | 23,214                  | 2,132,543     | 662,590       | 65,943            | 116,724       | 371,564         | 418,419       | 87,673        | 58,755        | 28,142         | 13,705        | -                                   |
| 2        | Cash Working Capital                                            | 14,845            | 3,260                  | -                                       | -                        | 68                      | 6,208         | 1,929         | 192               | 340           | 1,082           | 1,218         | 255           | 171           | 82             | 40            | -                                   |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -              | -             | -                                   |
| 4        | Fuel Inventory - Diesel                                         | 33,240            | -                      | 33,240                                  | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -              | -             | -                                   |
| 5        | Fuel Inventory - Gas Turbine                                    | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -              | -             | -                                   |
| 6        | Inventory/Supplies                                              | 123,991           | 40,307                 | -                                       | -                        | 563                     | 44,918        | 13,550        | 1,397             | 2,473         | 7,931           | 8,729         | 2,157         | 1,211         | 599            | 159           | -                                   |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 354,638           | 77,887                 | -                                       | -                        | 1,615                   | 148,315       | 46,082        | 4,586             | 8,118         | 25,842          | 29,100        | 6,098         | 4,086         | 1,957          | 953           | -                                   |
| 8        | Total Rate Base                                                 | 5,625,876         | 1,241,344              | 33,240                                  | -                        | 25,459                  | 2,331,984     | 724,150       | 72,118            | 127,655       | 406,418         | 457,466       | 96,182        | 64,222        | 30,780         | 14,857        | -                                   |
| 9        | Less: Rural Portion                                             | (5,625,876)       | (1,241,344)            | (33,240)                                | -                        | (25,459)                | (2,331,984)   | (724,150)     | (72,118)          | (127,655)     | (406,418)       | (457,466)     | (96,182)      | (64,222)      | (30,780)       | (14,857)      | -                                   |
| 10       | Rate Base Available for Equity Return                           | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -              | -             | -                                   |
| 11       | Return on Debt                                                  | 377,394           | 83,271                 | 2,230                                   | -                        | 1,708                   | 156,434       | 48,577        | 4,838             | 8,563         | 27,263          | 30,688        | 6,452         | 4,308         | 2,065          | 997           | -                                   |
| 12       | Return on Equity                                                | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -              | -             | -                                   |
| 13       | Return on Rate Base                                             | 377,394           | 83,271                 | 2,230                                   | -                        | 1,708                   | 156,434       | 48,577        | 4,838             | 8,563         | 27,263          | 30,688        | 6,452         | 4,308         | 2,065          | 997           | -                                   |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
L'Anse au Loup  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                                                   | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                                             | Sch. 2.3 , L. 24                                    |
| 2           | Cash Working Capital                                               | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                                        |                                                     |
| 4           | Fuel Inventory - Diesel                                            | Production - Energy                                 |
| 5           | Fuel Inventory - Gas Turbine                                       |                                                     |
| 6           | Inventory/Supplies                                                 | Prorated on Total Plant in Service, Sch. 2.2, L. 24 |
| 7           | Deferred Charges:<br>Foreign Exchange Loss and Regulatory<br>Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                                                    |                                                     |
| 9           | Less: Rural Portion                                                |                                                     |
| 10          | Rate Base Available for Equity Return                              |                                                     |
| 11          | Return on Debt                                                     | L.8 x Sch.1.1,p2,L.13                               |
| 12          | Return on Equity                                                   | L.10 x Sch.1.1,p2,L.16                              |
| 13          | Return on Rate Base                                                |                                                     |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**L'Anse au Loup**  
**Basis of Allocation to Classes of Service**

|  | 1 | 2 | 3 | 4              | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--|---|---|---|----------------|---|---|---|---|---|----|----|----|----|----|----|----|----|
|  |   |   |   | Production and |   |   |   |   |   |    |    |    |    |    |    |    |    |
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**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**L'Anse au Loup**  
**Allocation of Functionalized Amounts to Classes of Service**

| Line No.                                              | 1                            | 2                | 3              | 4              | 5        | 6             | 7              | 8              | 9             | 10            | 11            | 12            | 13            | 14            | 15           | 16             | 17           |
|-------------------------------------------------------|------------------------------|------------------|----------------|----------------|----------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|--------------|
|                                                       |                              |                  |                | Production and |          |               |                |                |               |               |               |               |               |               |              |                |              |
| Description                                           | Total                        | Production       | Transmission   | Transmisn      |          |               |                |                |               |               |               |               |               |               |              |                | Specifically |
|                                                       | Amount                       | Demand           | Energy         | Demand         |          |               |                |                |               |               |               |               |               |               |              |                | Assigned     |
|                                                       | (\$)                         | (\$)             | (\$)           | (\$)           |          |               |                |                |               |               |               |               |               |               |              |                | Customer     |
|                                                       |                              |                  |                |                |          |               |                |                |               |               |               |               |               |               |              |                | (\$)         |
| <b>Allocated Revenue Requirement Excluding Return</b> |                              |                  |                |                |          |               |                |                |               |               |               |               |               |               |              |                |              |
| 1                                                     | 1.2 Domestic Diesel          | 1,314,695        | 364,654        | 476,004        | -        | 17,079        | 193,555        | 56,246         | 8,775         | 16,691        | 30,445        | 35,882        | 9,196         | 8,684         | -            | 97,484         | -            |
| 2                                                     | 1.12 Domestic All Electric   | 57,535           | 18,736         | 19,888         | -        | 878           | 9,945          | 1,523          | 451           | 452           | 1,564         | 972           | 249           | 235           | -            | 2,640          | -            |
| 3                                                     | 2.1 GS 0-10 kW               | 189,747          | 45,934         | 65,283         | -        | 2,151         | 24,381         | 10,934         | 1,105         | 3,245         | 3,835         | 6,976         | 3,575         | 3,377         | -            | 18,951         | -            |
| 4                                                     | 2.2 GS 10-100 kW             | 362,812          | 86,026         | 191,716        | -        | 4,029         | 45,662         | 4,191          | 2,070         | 1,244         | 7,182         | 2,674         | 5,531         | 5,223         | -            | 7,264          | -            |
| 5                                                     | 2.3 GS 110-1,000 kVa         | 53,988           | 5,390          | 43,877         | -        | 252           | 2,861          | 161            | 130           | 48            | 450           | 103           | 225           | 213           | -            | 279            | -            |
| 6                                                     | 4.1 Street and Area Lighting | 29,779           | 5,440          | 6,854          | -        | 255           | 2,887          | 2,468          | 131           | 732           | 454           | 1,575         | -             | -             | 4,705        | 4,278          | -            |
| 7                                                     | <b>Total</b>                 | <b>2,008,555</b> | <b>526,181</b> | <b>803,621</b> | <b>-</b> | <b>24,644</b> | <b>279,291</b> | <b>75,524</b>  | <b>12,661</b> | <b>22,412</b> | <b>43,930</b> | <b>48,181</b> | <b>18,776</b> | <b>17,732</b> | <b>4,705</b> | <b>130,896</b> | <b>-</b>     |
| <b>Allocated Return on Debt</b>                       |                              |                  |                |                |          |               |                |                |               |               |               |               |               |               |              |                |              |
| 8                                                     | 1.2 Domestic Diesel          | 262,293          | 57,709         | 1,321          | -        | 1,184         | 108,412        | 36,178         | 3,353         | 6,377         | 18,894        | 22,854        | 3,160         | 2,110         | -            | 742            | -            |
| 9                                                     | 1.12 Domestic All Electric   | 11,729           | 2,965          | 55             | -        | 61            | 5,570          | 980            | 172           | 173           | 971           | 619           | 86            | 57            | -            | 20             | -            |
| 10                                                    | 2.1 GS 0-10 kW               | 38,967           | 7,269          | 181            | -        | 149           | 13,656         | 7,033          | 422           | 1,240         | 2,380         | 4,443         | 1,229         | 820           | -            | 144            | -            |
| 11                                                    | 2.2 GS 10-100 kW             | 53,348           | 13,614         | 532            | -        | 279           | 25,576         | 2,696          | 791           | 475           | 4,457         | 1,703         | 1,901         | 1,269         | -            | 55             | -            |
| 12                                                    | 2.3 GS 110-1,000 kVa         | 3,242            | 853            | 122            | -        | 17            | 1,602          | 103            | 50            | 18            | 279           | 65            | 77            | 52            | -            | 2              | -            |
| 13                                                    | 4.1 Street and Area Lighting | 7,814            | 861            | 19             | -        | 18            | 1,617          | 1,588          | 50            | 280           | 282           | 1,003         | -             | -             | 2,065        | 33             | -            |
| 14                                                    | <b>Total</b>                 | <b>377,394</b>   | <b>83,271</b>  | <b>2,230</b>   | <b>-</b> | <b>1,708</b>  | <b>156,434</b> | <b>48,577</b>  | <b>4,838</b>  | <b>8,563</b>  | <b>27,263</b> | <b>30,688</b> | <b>6,452</b>  | <b>4,308</b>  | <b>2,065</b> | <b>997</b>     | <b>-</b>     |
| <b>Allocated Return on Equity</b>                     |                              |                  |                |                |          |               |                |                |               |               |               |               |               |               |              |                |              |
| 15                                                    | All Classes                  | -                | -              | -              | -        | -             | -              | -              | -             | -             | -             | -             | -             | -             | -            | -              | -            |
| <b>Total Allocated Revenue Requirement</b>            |                              |                  |                |                |          |               |                |                |               |               |               |               |               |               |              |                |              |
| 16                                                    | 1.2 Domestic Diesel          | 1,576,988        | 422,363        | 477,324        | -        | 18,262        | 301,966        | 92,424         | 12,127        | 23,068        | 49,339        | 58,737        | 12,356        | 10,794        | -            | 98,227         | -            |
| 17                                                    | 1.12 Domestic All Electric   | 69,264           | 21,702         | 19,943         | -        | 938           | 15,515         | 2,503          | 623           | 625           | 2,535         | 1,591         | 335           | 292           | -            | 2,661          | -            |
| 18                                                    | 2.1 GS 0-10 kW               | 228,715          | 53,204         | 65,464         | -        | 2,300         | 38,038         | 17,967         | 1,528         | 4,485         | 6,215         | 11,418        | 4,804         | 4,197         | -            | 19,095         | -            |
| 19                                                    | 2.2 GS 10-100 kW             | 416,160          | 99,640         | 192,248        | -        | 4,308         | 71,237         | 6,887          | 2,861         | 1,719         | 11,640        | 4,377         | 7,431         | 6,492         | -            | 7,319          | -            |
| 20                                                    | 2.3 GS 110-1,000 kVa         | 57,230           | 6,243          | 43,999         | -        | 270           | 4,464          | 264            | 179           | 66            | 729           | 168           | 303           | 264           | -            | 281            | -            |
| 21                                                    | 4.1 Street and Area Lighting | 37,593           | 6,300          | 6,873          | -        | 272           | 4,504          | 4,056          | 181           | 1,012         | 736           | 2,578         | -             | -             | 6,769        | 4,311          | -            |
| 22                                                    | <b>Total</b>                 | <b>2,385,949</b> | <b>609,453</b> | <b>805,851</b> | <b>-</b> | <b>26,352</b> | <b>435,725</b> | <b>124,101</b> | <b>17,499</b> | <b>30,975</b> | <b>71,193</b> | <b>78,869</b> | <b>25,229</b> | <b>22,040</b> | <b>6,769</b> | <b>131,893</b> | <b>-</b>     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Revenue Requirement

| Line No.               | 1                                              | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8               | 9                             | 10             | 11                          | 12              | 13                     | 14                   | 15                            | 16                       | 17                                  |
|------------------------|------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|-------------------------------|----------------|-----------------------------|-----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                        | Description                                    | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)   | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)   | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Expenses</b>        |                                                |                   |                        |                                         |                          |                         |                           |                 |                               |                |                             |                 |                        |                      |                               |                          |                                     |
| 1                      | Operating & Maintenance                        | 5,339,430         | 858,025                | -                                       | 606,604                  | 279,244                 | 1,259,670                 | 302,523         | 80,029                        | 141,658        | 174,611                     | 190,800         | 114,774                | 159,518              | 26,054                        | 1,145,857                | 63                                  |
| 2                      | Fuels                                          | -                 | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 3                      | Fuels-Diesel                                   | 1,878             | 1,878                  | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 4                      | Fuels-Gas Turbine                              | 68,425            | 68,425                 | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 5                      | Power Purchases -CF(L)Co                       | 2,385,311         | 1,024,224              | 1,361,088                               | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 6                      | Power Purchases-Other                          | 185,912           | -                      | -                                       | -                        | 185,912                 | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 7                      | Depreciation                                   | 2,632,902         | 1,175,849              | -                                       | 551,901                  | 150,292                 | 273,494                   | 71,556          | 53,107                        | 94,004         | 49,283                      | 51,419          | 44,916                 | 18,553               | 13,708                        | 84,732                   | 86                                  |
| <b>Expense Credits</b> |                                                |                   |                        |                                         |                          |                         |                           |                 |                               |                |                             |                 |                        |                      |                               |                          |                                     |
| 8                      | Sundry                                         | (30,281)          | (4,866)                | -                                       | (3,440)                  | (1,584)                 | (7,144)                   | (1,716)         | (454)                         | (803)          | (990)                       | (1,082)         | (651)                  | (905)                | (148)                         | (6,498)                  | (0)                                 |
| 9                      | Building Rental Income                         | (8,709)           | (2,983)                | -                                       | (2,355)                  | (803)                   | (1,095)                   | (281)           | (189)                         | (334)          | (189)                       | (196)           | (163)                  | (76)                 | (45)                          | -                        | (1)                                 |
| 10                     | Tax Refunds                                    | -                 | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 11                     | Suppliers' Discounts                           | (4,206)           | (676)                  | -                                       | (478)                    | (220)                   | (992)                     | (238)           | (63)                          | (112)          | (138)                       | (150)           | (90)                   | (126)                | (21)                          | (903)                    | (0)                                 |
| 12                     | Pole Attachments                               | (145,745)         | -                      | -                                       | -                        | -                       | (84,291)                  | (28,807)        | -                             | -              | (14,920)                    | (17,727)        | -                      | -                    | -                             | -                        | -                                   |
| 13                     | Secondary Energy Revenues                      | -                 | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 14                     | Wheeling Revenues                              | -                 | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | -                        | -                                   |
| 15                     | Misc Cust & Mtr Test Rev                       | (20,284)          | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | (20,284)             | -                             | -                        | -                                   |
| 16                     | Application Fees                               | (6,230)           | -                      | -                                       | -                        | -                       | -                         | -               | -                             | -              | -                           | -               | -                      | -                    | -                             | (6,230)                  | -                                   |
| 17                     | <b>Total Expense Credits</b>                   | <b>(215,455)</b>  | <b>(8,525)</b>         | <b>-</b>                                | <b>(6,273)</b>           | <b>(2,607)</b>          | <b>(93,523)</b>           | <b>(31,042)</b> | <b>(706)</b>                  | <b>(1,249)</b> | <b>(16,236)</b>             | <b>(19,155)</b> | <b>(904)</b>           | <b>(21,390)</b>      | <b>(213)</b>                  | <b>(13,631)</b>          | <b>(1)</b>                          |
| 18                     | <b>Subtotal Expenses</b>                       | <b>10,398,402</b> | <b>3,119,876</b>       | <b>1,361,088</b>                        | <b>1,152,232</b>         | <b>612,841</b>          | <b>1,439,642</b>          | <b>343,038</b>  | <b>132,431</b>                | <b>234,413</b> | <b>207,659</b>              | <b>223,063</b>  | <b>158,785</b>         | <b>156,681</b>       | <b>39,548</b>                 | <b>1,216,958</b>         | <b>148</b>                          |
| 19                     | Disposal Gain / Loss                           | 77,802            | 24,312                 | -                                       | 28,694                   | 5,055                   | 7,685                     | 1,958           | 1,677                         | 2,969          | 1,363                       | 1,406           | 1,475                  | 546                  | 443                           | 211                      | 8                                   |
| 20                     | <b>Subtotal Revenue Requirement Ex. Return</b> | <b>10,476,204</b> | <b>3,144,188</b>       | <b>1,361,088</b>                        | <b>1,180,926</b>         | <b>617,895</b>          | <b>1,447,327</b>          | <b>344,996</b>  | <b>134,108</b>                | <b>237,383</b> | <b>209,021</b>              | <b>224,469</b>  | <b>160,260</b>         | <b>157,226</b>       | <b>39,991</b>                 | <b>1,217,169</b>         | <b>156</b>                          |
| 21                     | Return on Debt                                 | 3,438,429         | 1,080,388              | -                                       | 1,260,003                | 224,638                 | 340,641                   | 86,801          | 73,997                        | 130,982        | 60,369                      | 62,291          | 65,047                 | 24,181               | 19,499                        | 9,243                    | 350                                 |
| 22                     | Return on Equity                               | 316,328           | 99,393                 | -                                       | 115,918                  | 20,666                  | 31,338                    | 7,986           | 6,808                         | 12,050         | 5,554                       | 5,731           | 5,984                  | 2,225                | 1,794                         | 850                      | 32                                  |
| 23                     | <b>Total Revenue Requirement</b>               | <b>14,230,962</b> | <b>4,323,969</b>       | <b>1,361,088</b>                        | <b>2,556,846</b>         | <b>863,200</b>          | <b>1,819,306</b>          | <b>439,782</b>  | <b>214,913</b>                | <b>380,414</b> | <b>274,944</b>              | <b>292,491</b>  | <b>231,292</b>         | <b>183,632</b>       | <b>61,284</b>                 | <b>1,227,262</b>         | <b>538</b>                          |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Labrador Interconnected**  
**Functional Classification of Revenue Requirement - Documentation**

| Line<br>No. | 1<br>Description                               | 2<br>Basis of Functional Classification                           |
|-------------|------------------------------------------------|-------------------------------------------------------------------|
|             | <b>Expenses</b>                                |                                                                   |
| 1           | Operating & Maintenance                        | Carryforward from Sch.2.4 L.21                                    |
| 2           | Fuels                                          |                                                                   |
| 3           | Fuels-Diesel                                   | Production - Demand                                               |
| 4           | Fuels-Gas Turbine                              | Production - Demand                                               |
| 5           | Power Purchases -CF(L)Co                       | Carryforward from Sch.4.4 L.8                                     |
| 6           | Power Purchases-Other                          | Carryforward from Sch.4.4 L.9                                     |
| 7           | Depreciation                                   | Carryforward from Sch.2.5 L.25                                    |
|             | <b>Expense Credits</b>                         |                                                                   |
| 8           | Sundry                                         | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 9           | Building Rental Income                         | Prorated on General Plant - Sch.2.2 L.19                          |
| 10          | Tax Refunds                                    | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 11          | Suppliers' Discounts                           | Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.21 |
| 12          | Pole Attachments                               | Prorated on Distribution Poles - Sch.4.1 L.37                     |
| 13          | Secondary Energy Revenues                      | Production - Energy                                               |
| 14          | Wheeling Revenues                              | Transmission - Demand, Energy ratios Sch.4.1 L.16                 |
| 15          | Misc Cust & Mtr Test Rev                       | Meters - Customer                                                 |
| 16          | Application Fees                               | Accounting - Customer                                             |
| 17          | <b>Total Expense Credits</b>                   |                                                                   |
| 18          | <b>Subtotal Expenses</b>                       |                                                                   |
| 19          | Disposal Gain / Loss                           | Prorated on Total Net Book Value - Sch.2.3 L.25                   |
| 20          | <b>Subtotal Revenue Requirement Ex. Return</b> |                                                                   |
| 21          | Return on Debt                                 | Prorated on Rate Base - Sch.2.6 L.8                               |
| 22          | Return on Equity                               | Prorated on Rate Base - Sch.2.6 L.10                              |
| 23          | <b>Total Revenue Requirement</b>               |                                                                   |

NEWFOUNDLAND & LABRADOR HYDRO

2002 Actual Cost of Service

Labrador Interconnected

Functional Classification of Plant in Service for the Allocation of O&M Expense

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                | 9                             | 10               | 11                          | 12               | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|------------------|-------------------------------|------------------|-----------------------------|------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)    | Line Transformers Demand (\$) | Customer (\$)    | Secondary Lines Demand (\$) | Customer (\$)    | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                  |                        |                      |                               |                          |                                     |
| 1                   | Gas Turbines                          | 22,489,284        | 22,489,284             | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 2                   | Diesel                                | 3,475,672         | 3,475,672              | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 3                   | <b>Subtotal Production</b>            | <b>25,964,956</b> | <b>25,964,956</b>      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                  |                        |                      |                               |                          |                                     |
| 4                   | Lines                                 | 16,538,092        | -                      | -                                       | 16,083,896               | -                       | 454,196                   | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 5                   | Terminal Stations                     | 4,708,438         | -                      | -                                       | 4,416,794                | 286,590                 | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | 5,054                               |
| 6                   | <b>Subtotal Transmission</b>          | <b>21,246,530</b> | -                      | -                                       | <b>20,500,690</b>        | <b>286,590</b>          | <b>454,196</b>            | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | <b>5,054</b>                        |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                  |                               |                  |                             |                  |                        |                      |                               |                          |                                     |
| 7                   | Substations                           | 6,706,554         | -                      | -                                       | -                        | 6,706,554               | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Land & Land Improvements              | 412,065           | -                      | -                                       | -                        | -                       | 310,676                   | 39,579           | -                             | -                | 36,035                      | 25,775           | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Poles                                 | 10,925,731        | -                      | -                                       | -                        | -                       | 6,318,875                 | 2,159,493        | -                             | -                | 1,118,445                   | 1,328,919        | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Primary Conductor & Eqpt              | 2,181,681         | -                      | -                                       | -                        | -                       | 1,935,151                 | 246,530          | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Submarine Conductor                   | 515,827           | -                      | -                                       | -                        | -                       | 515,827                   | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Transformers                          | 4,550,793         | -                      | -                                       | -                        | -                       | -                         | -                | 1,642,836                     | 2,907,957        | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Secondary Conductor&Eqpt              | 837,546           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | 488,289                     | 349,257          | -                      | -                    | -                             | -                        | -                                   |
| 14                  | Services                              | 1,419,983         | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | 1,419,983              | -                    | -                             | -                        | -                                   |
| 15                  | Meters                                | 664,288           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | 664,288              | -                             | -                        | -                                   |
| 16                  | Street Lighting                       | 392,382           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | 392,382                       | -                        | -                                   |
| 17                  | <b>Subtotal Distribution</b>          | <b>28,606,851</b> | -                      | -                                       | -                        | <b>6,706,554</b>        | <b>9,080,529</b>          | <b>2,445,601</b> | <b>1,642,836</b>              | <b>2,907,957</b> | <b>1,642,770</b>            | <b>1,703,950</b> | <b>1,419,983</b>       | <b>664,288</b>       | <b>392,382</b>                | -                        | -                                   |
| 18                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>75,818,337</b> | <b>25,964,956</b>      | -                                       | <b>20,500,690</b>        | <b>6,993,144</b>        | <b>9,534,725</b>          | <b>2,445,601</b> | <b>1,642,836</b>              | <b>2,907,957</b> | <b>1,642,770</b>            | <b>1,703,950</b> | <b>1,419,983</b>       | <b>664,288</b>       | <b>392,382</b>                | -                        | <b>5,054</b>                        |
| 19                  | General                               | 3,187,831         | 1,091,713              | -                                       | 861,965                  | 294,031                 | 400,894                   | 102,827          | 69,074                        | 122,267          | 69,071                      | 71,644           | 59,704                 | 27,930               | 16,498                        | -                        | 212                                 |
| 20                  | Telecontrol - Common                  | 1,258,930         | 692,449                | -                                       | 546,725                  | 7,643                   | 12,113                    | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 21                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | -                        | -                                   |
| 23                  | Software - General                    | 172,570           | 59,099                 | -                                       | 46,662                   | 15,917                  | 21,702                    | 5,566            | 3,739                         | 6,619            | 3,739                       | 3,878            | 3,232                  | 1,512                | 893                           | -                        | 12                                  |
| 24                  | Software - Cust Acctng                | 127,098           | -                      | -                                       | -                        | -                       | -                         | -                | -                             | -                | -                           | -                | -                      | -                    | -                             | 127,098                  | -                                   |
| 25                  | <b>Total Plant</b>                    | <b>80,564,766</b> | <b>27,808,218</b>      | -                                       | <b>21,956,042</b>        | <b>7,310,735</b>        | <b>9,969,433</b>          | <b>2,553,995</b> | <b>1,715,650</b>              | <b>3,036,843</b> | <b>1,715,580</b>            | <b>1,779,472</b> | <b>1,482,919</b>       | <b>693,730</b>       | <b>409,773</b>                | <b>127,098</b>           | <b>5,278</b>                        |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Plant in Service for the Allocation of O&M Expense - Documentation

| Line No. | 1<br>Description                      | 2<br>Basis of Functional Classification                                                                         |
|----------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                     |                                                                                                                 |
| 1        | Gas Turbines                          | Production - Demand, Energy ratios Sch.4.1 L.9                                                                  |
| 2        | Diesel                                | Production - Demand, Energy ratios Sch.4.1 L.9                                                                  |
| 3        | <b>Subtotal Production</b>            |                                                                                                                 |
|          | <b>Transmission</b>                   |                                                                                                                 |
| 4        | Lines                                 | Production, Transmission - Demand, Energy; Distribution - Primary Demand; Spec Assigned - Custmr                |
| 5        | Terminal Stations                     | Production, Transmission - Demand, Energy; Spec Assigned - Custmr                                               |
| 6        | <b>Subtotal Transmission</b>          |                                                                                                                 |
|          | <b>Distribution</b>                   | Distribution plant other than Substations, Meters and Submarine prorated to functions based on special analysis |
| 7        | Substations                           | Production - Demand; Dist Substns - Demand                                                                      |
| 8        | Land & Land Improvements              | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32                                      |
| 9        | Poles                                 | Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37                                      |
| 10       | Primary Conductor & Eqpt              | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38                                                 |
| 11       | Submarine Conductor                   | Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39                                                 |
| 12       | Transformers                          | Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40                                            |
| 13       | Secondary Conductor&Eqpt              | Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41                                              |
| 14       | Services                              | Services Customer                                                                                               |
| 15       | Meters                                | Meters - Customer                                                                                               |
| 16       | Street Lighting                       | Street Lighting - Customer                                                                                      |
| 17       | <b>Subtotal Distribution</b>          |                                                                                                                 |
| 18       | <b>Subttl Prod, Trans, &amp; Dist</b> |                                                                                                                 |
| 19       | General                               | Prorated on subtotal Production, Transmission, & Distribution plant - L.18                                      |
| 20       | Telecontrol - Common                  | Prorated on functionalized Production & Transmission plant - L. 3, 6                                            |
| 21       | Telecontrol - Specific                | Specifically Assigned - Customer                                                                                |
| 22       | Feasibility Studies                   | Production, Transmission - Demand                                                                               |
| 23       | Software - General                    | Prorated on subtotal Production, Transmission, & Distribution plant - L.18                                      |
| 24       | Software - Cust Acctng                |                                                                                                                 |
| 25       | <b>Total Plant</b>                    |                                                                                                                 |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Net Book Value

| Line No.            | 1                                     | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8                           | 9                             | 10                              | 11                          | 12                            | 13                     | 14                   | 15                            | 16                       | 17                                  |
|---------------------|---------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------|-------------------------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                     | Description                           | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Primary Lines Customer (\$) | Line Transformers Demand (\$) | Line Transformers Customer (\$) | Secondary Lines Demand (\$) | Secondary Lines Customer (\$) | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>   |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 1                   | Gas Turbines                          | 13,269,805        | 13,269,805             | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 2                   | Diesel                                | 994,890           | 994,890                | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 3                   | <b>Subtotal Production</b>            | <b>14,264,695</b> | <b>14,264,695</b>      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 4                   | Lines                                 | 13,422,474        | -                      | -                                       | 13,262,991               | -                       | 159,484                   | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 5                   | Terminal Stations                     | 3,852,026         | -                      | -                                       | 3,572,920                | 274,423                 | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | 4,683                               |
| 6                   | <b>Subtotal Transmission</b>          | <b>17,274,500</b> | -                      | -                                       | <b>16,835,910</b>        | <b>274,423</b>          | <b>159,484</b>            | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | <b>4,683</b>                        |
| <b>Distribution</b> |                                       |                   |                        |                                         |                          |                         |                           |                             |                               |                                 |                             |                               |                        |                      |                               |                          |                                     |
| 7                   | Substations                           | 2,708,164         | -                      | -                                       | -                        | 2,708,164               | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 8                   | Land & Land Improvements              | 158,571           | -                      | -                                       | -                        | -                       | 119,555                   | 15,231                      | -                             | -                               | 13,867                      | 9,919                         | -                      | -                    | -                             | -                        | -                                   |
| 9                   | Poles                                 | 5,259,748         | -                      | -                                       | -                        | -                       | 3,041,965                 | 1,039,600                   | -                             | -                               | 538,430                     | 639,754                       | -                      | -                    | -                             | -                        | -                                   |
| 10                  | Primary Conductor & Eqpt              | 895,452           | -                      | -                                       | -                        | -                       | 794,266                   | 101,186                     | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 11                  | Submarine Conductor                   | 420,968           | -                      | -                                       | -                        | -                       | 420,968                   | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 12                  | Transformers                          | 2,743,473         | -                      | -                                       | -                        | -                       | -                         | -                           | 990,394                       | 1,753,079                       | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 13                  | Secondary Conductor&Eqpt              | 432,827           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | 252,338                     | 180,489                       | -                      | -                    | -                             | -                        | -                                   |
| 14                  | Services                              | 870,870           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | 870,870                | -                    | -                             | -                        | -                                   |
| 15                  | Meters                                | 322,232           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | 322,232              | -                             | -                        | -                                   |
| 16                  | Street Lighting                       | 261,429           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | 261,429                       | -                        | -                                   |
| 17                  | <b>Subtotal Distribution</b>          | <b>14,073,734</b> | -                      | -                                       | -                        | <b>2,708,164</b>        | <b>4,376,754</b>          | <b>1,156,017</b>            | <b>990,394</b>                | <b>1,753,079</b>                | <b>804,635</b>              | <b>830,161</b>                | <b>870,870</b>         | <b>322,232</b>       | <b>261,429</b>                | -                        | -                                   |
| 18                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>45,612,929</b> | <b>14,264,695</b>      | -                                       | <b>16,835,910</b>        | <b>2,982,586</b>        | <b>4,536,237</b>          | <b>1,156,017</b>            | <b>990,394</b>                | <b>1,753,079</b>                | <b>804,635</b>              | <b>830,161</b>                | <b>870,870</b>         | <b>322,232</b>       | <b>261,429</b>                | -                        | <b>4,683</b>                        |
| 19                  | General                               | 763,022           | 238,623                | -                                       | 281,635                  | 49,893                  | 75,883                    | 19,338                      | 16,568                        | 29,326                          | 13,460                      | 13,887                        | 14,568                 | 5,390                | 4,373                         | -                        | 78                                  |
| 20                  | Telecontrol - Common                  | 200,816           | 90,826                 | -                                       | 107,197                  | 1,747                   | 1,015                     | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | 30                                  |
| 21                  | Telecontrol - Specific                | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 22                  | Feasibility Studies                   | -                 | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | -                        | -                                   |
| 23                  | Software - General                    | 140,604           | 43,972                 | -                                       | 51,898                   | 9,194                   | 13,983                    | 3,563                       | 3,053                         | 5,404                           | 2,480                       | 2,559                         | 2,685                  | 993                  | 806                           | -                        | 14                                  |
| 24                  | Software - Cust Acctg                 | 127,098           | -                      | -                                       | -                        | -                       | -                         | -                           | -                             | -                               | -                           | -                             | -                      | -                    | -                             | 127,098                  | -                                   |
| 25                  | <b>Total Net Book Value</b>           | <b>46,844,469</b> | <b>14,638,116</b>      | -                                       | <b>17,276,640</b>        | <b>3,043,421</b>        | <b>4,627,119</b>          | <b>1,178,918</b>            | <b>1,010,014</b>              | <b>1,787,809</b>                | <b>820,575</b>              | <b>846,607</b>                | <b>888,123</b>         | <b>328,616</b>       | <b>266,608</b>                | <b>127,098</b>           | <b>4,806</b>                        |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Operating & Maintenance Expense

| Line No.                | 1                                                        | 2                 | 3                      | 4                                       | 5                        | 6                       | 7                         | 8              | 9                             | 10             | 11                          | 12             | 13                     | 14                   | 15                            | 16                       | 17                                  |
|-------------------------|----------------------------------------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------------------|----------------|-------------------------------|----------------|-----------------------------|----------------|------------------------|----------------------|-------------------------------|--------------------------|-------------------------------------|
|                         | Description                                              | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Substations Demand (\$) | Primary Lines Demand (\$) | Customer (\$)  | Line Transformers Demand (\$) | Customer (\$)  | Secondary Lines Demand (\$) | Customer (\$)  | Services Customer (\$) | Meters Customer (\$) | Street Lighting Customer (\$) | Accounting Customer (\$) | Specifically Assigned Customer (\$) |
| <b>Production</b>       |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 1                       | Gas Turbine / Diesel                                     | 315,354           | 315,354                | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 2                       | <b>Subtotal Production</b>                               | <b>315,354</b>    | <b>315,354</b>         | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| <b>Transmission</b>     |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 3                       | Transmission Lines                                       | 224,811           | -                      | -                                       | 218,637                  | -                       | 6,174.13                  | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 4                       | Terminal Stations                                        | 2,650             | -                      | -                                       | 2,486                    | 161                     | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 3                                   |
| 5                       | <b>Subtotal Transmission</b>                             | <b>227,461</b>    | -                      | -                                       | <b>221,123</b>           | <b>161</b>              | <b>6,174</b>              | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | <b>3</b>                            |
| <b>Distribution</b>     |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 6                       | Other                                                    | 1,275,782         | -                      | -                                       | -                        | 107,179                 | 658,233                   | 158,245        | 34,405                        | 60,900         | 89,605                      | 98,595         | 56,351                 | -                    | 12,267                        | -                        | -                                   |
| 7                       | Meters                                                   | 88,123            | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | 88,123               | -                             | -                        | -                                   |
| 8                       | <b>Subtotal Distribution</b>                             | <b>1,363,905</b>  | -                      | -                                       | -                        | <b>107,179</b>          | <b>658,233</b>            | <b>158,245</b> | <b>34,405</b>                 | <b>60,900</b>  | <b>89,605</b>               | <b>98,595</b>  | <b>56,351</b>          | <b>88,123</b>        | <b>12,267</b>                 | -                        | -                                   |
| 9                       | <b>Subttl Prod, Trans, &amp; Dist</b>                    | <b>1,906,720</b>  | <b>315,354</b>         | -                                       | <b>221,123</b>           | <b>107,340</b>          | <b>664,407</b>            | <b>158,245</b> | <b>34,405</b>                 | <b>60,900</b>  | <b>89,605</b>               | <b>98,595</b>  | <b>56,351</b>          | <b>88,123</b>        | <b>12,267</b>                 | -                        | <b>3</b>                            |
| 10                      | Customer Accounting                                      | 747,190           | -                      | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | 747,190                  | -                                   |
| <b>Overheads</b>        |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| <b>Plant-Related:</b>   |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 11                      | Production                                               | 33,874            | 33,874                 | -                                       | -                        | -                       | -                         | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 12                      | Transmission                                             | 11,912            | -                      | -                                       | 11,494                   | 161                     | 255                       | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | 3                                   |
| 13                      | Distribution                                             | 73,771            | -                      | -                                       | -                        | 17,295                  | 23,417                    | 6,307          | 4,237                         | 7,499          | 4,236                       | 4,394          | 3,662                  | 1,713                | 1,012                         | -                        | -                                   |
| 14                      | Prod, Trans, Distn and General Plt                       | 98,342            | 33,679                 | -                                       | 26,591                   | 9,071                   | 12,367                    | 3,172          | 2,131                         | 3,772          | 2,131                       | 2,210          | 1,842                  | 862                  | 509                           | -                        | 7                                   |
| 15                      | Telecontrol Plant                                        | 86,399            | 47,522                 | -                                       | 37,521                   | 525                     | 831                       | -              | -                             | -              | -                           | -              | -                      | -                    | -                             | -                        | -                                   |
| 16                      | Generation, Transmission, Distribution and General Plant | 688,147           | 237,525                | -                                       | 187,538                  | 62,445                  | 85,154                    | 21,815         | 14,654                        | 25,939         | 14,654                      | 15,199         | 12,666                 | 5,926                | 3,500                         | 1,086                    | 45                                  |
| 17                      | Property Insurance                                       | 33,569            | 22,271                 | -                                       | 4,675                    | 5,855                   | 331                       | 83             | 55                            | 98             | 55                          | 57             | 48                     | 22                   | 13                            | -                        | 4                                   |
| <b>Expense Related:</b> |                                                          |                   |                        |                                         |                          |                         |                           |                |                               |                |                             |                |                        |                      |                               |                          |                                     |
| 18                      | Municipal Tax                                            | 247,352           | -                      | -                                       | -                        | 19,437                  | 119,374                   | 28,699         | 6,240                         | 11,045         | 16,250                      | 17,881         | 10,220                 | 15,982               | 2,225                         | -                        | -                                   |
| 19                      | Other Expense Related                                    | 1,412,153         | 167,801                | -                                       | 117,660                  | 57,116                  | 353,533                   | 84,203         | 18,307                        | 32,405         | 47,679                      | 52,463         | 29,985                 | 46,891               | 6,528                         | 397,582                  | 2                                   |
| 20                      | <b>Subtotal Overheads</b>                                | <b>2,685,520</b>  | <b>542,671</b>         | -                                       | <b>385,481</b>           | <b>171,904</b>          | <b>595,263</b>            | <b>144,278</b> | <b>45,624</b>                 | <b>80,758</b>  | <b>85,006</b>               | <b>92,205</b>  | <b>58,422</b>          | <b>71,395</b>        | <b>13,786</b>                 | <b>398,668</b>           | <b>60</b>                           |
| 21                      | <b>Total Operating &amp; Maintenance Expenses</b>        | <b>5,339,430</b>  | <b>858,025</b>         | -                                       | <b>606,604</b>           | <b>279,244</b>          | <b>1,259,670</b>          | <b>302,523</b> | <b>80,029</b>                 | <b>141,658</b> | <b>174,611</b>              | <b>190,800</b> | <b>114,774</b>         | <b>159,518</b>       | <b>26,054</b>                 | <b>1,145,857</b>         | <b>63</b>                           |

## NEWFOUNDLAND &amp; LABRADOR HYDRO

## 2002 Actual Cost of Service

## Labrador Interconnected

## Functional Classification of Operating &amp; Maintenance Expense - Documentation

| Line No. | 1<br>Description                                         | 2<br>Basis of Functional Classification                                                               |
|----------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|          | <b>Production</b>                                        |                                                                                                       |
| 1        | Gas Turbine / Diesel                                     | Production - Demand, Energy ratios Sch.4.1 L.9                                                        |
| 2        | <b>Subtotal Production</b>                               |                                                                                                       |
|          | <b>Transmission</b>                                      |                                                                                                       |
| 3        | Transmission Lines                                       | Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4                                         |
| 4        | Terminal Stations                                        | Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5                             |
| 5        | <b>Subtotal Transmission</b>                             |                                                                                                       |
|          | <b>Distribution</b>                                      |                                                                                                       |
| 6        | Other                                                    | Production, Distribution, except Meters- ratios Sch. 4.1 L.46                                         |
| 7        | Meters                                                   | Meters - Customer                                                                                     |
| 8        | <b>Subtotal Distribution</b>                             |                                                                                                       |
| 9        | <b>Subttl Prod, Trans, &amp; Dist</b>                    |                                                                                                       |
| 10       | Customer Accounting                                      | Accounting - Customer                                                                                 |
|          | <b>Overheads</b>                                         |                                                                                                       |
|          | Plant-Related:                                           |                                                                                                       |
| 11       | Production                                               | Prorated on Production Plant in Service - Sch.2.2 L.3                                                 |
| 12       | Transmission                                             | Prorated on Transmission Plant in Service - Sch.2.2 L. 6                                              |
| 13       | Distribution                                             | Prorated on Distribution Plant in Service - Sch.2.2 L.17                                              |
| 14       | Prod, Trans, Distn and General Plt                       | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18                   |
| 15       | Telecontrol Plant                                        | Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18                   |
| 16       | Generation, Transmission, Distribution and General Plant | Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.25          |
| 17       | Property Insurance                                       | Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 21 |
|          | Expense Related:                                         |                                                                                                       |
| 18       | Municipal Tax                                            | Prorated on Distribution Expenses, L. 8                                                               |
| 19       | Other Expense Related                                    | Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 9, 10            |
| 20       | <b>Subtotal Overheads</b>                                |                                                                                                       |
| 21       | <b>Total Operating &amp; Maintenance Expenses</b>        |                                                                                                       |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected

Functional Classification of Depreciation Expense

| Line No.            | 1<br>Description                      | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|---------------------|---------------------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Production</b>   |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 1                   | Gas Turbines                          | 901,529                | 901,529                     | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 2                   | Diesel                                | 66,821                 | 66,821                      | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 3                   | <b>Subtotal Production</b>            | <b>968,350</b>         | <b>968,350</b>              | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| <b>Transmission</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 4                   | Lines                                 | 379,173                | -                           | -                                            | 364,220                       | -                            | 14,953                         | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 5                   | Terminal Stations                     | 92,325                 | -                           | -                                            | 90,289                        | 1,963                        | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | 73                                        |
| 6                   | <b>Subtotal Transmission</b>          | <b>471,498</b>         | -                           | -                                            | <b>454,508</b>                | <b>1,963</b>                 | <b>14,953</b>                  | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | <b>73</b>                                 |
| <b>Distribution</b> |                                       |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 7                   | Substations                           | 125,954                | -                           | -                                            | -                             | 125,954                      | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 8                   | Land & Land Improvements              | 6,581                  | -                           | -                                            | -                             | -                            | 4,962                          | 632                | -                                  | -                   | 576                               | 412                 | -                            | -                          | -                                   | -                              | -                                         |
| 9                   | Poles                                 | 284,405                | -                           | -                                            | -                             | -                            | 164,485                        | 56,213             | -                                  | -                   | 29,114                            | 34,593              | -                            | -                          | -                                   | -                              | -                                         |
| 10                  | Primary Conductor & Eqpt              | 36,194                 | -                           | -                                            | -                             | -                            | 32,104                         | 4,090              | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 11                  | Submarine Conductor                   | 15,886                 | -                           | -                                            | -                             | -                            | 15,886                         | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 12                  | Transformers                          | 125,276                | -                           | -                                            | -                             | -                            | -                              | -                  | 45,224                             | 80,051              | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 13                  | Secondary Conductor&Eqpt              | 21,061                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | 12,279                            | 8,782               | -                            | -                          | -                                   | -                              | -                                         |
| 14                  | Services                              | 38,249                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | 38,249                       | -                          | -                                   | -                              | -                                         |
| 15                  | Meters                                | 15,799                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 15,799                     | -                                   | -                              | -                                         |
| 16                  | Street Lighting                       | 11,673                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | 11,673                              | -                              | -                                         |
| 17                  | <b>Subtotal Distribution</b>          | <b>681,078</b>         | -                           | -                                            | -                             | <b>125,954</b>               | <b>217,437</b>                 | <b>60,935</b>      | <b>45,224</b>                      | <b>80,051</b>       | <b>41,968</b>                     | <b>43,787</b>       | <b>38,249</b>                | <b>15,799</b>              | <b>11,673</b>                       | -                              | -                                         |
| 18                  | <b>Subttl Prod, Trans, &amp; Dist</b> | <b>2,120,926</b>       | <b>968,350</b>              | -                                            | <b>454,508</b>                | <b>127,917</b>               | <b>232,390</b>                 | <b>60,935</b>      | <b>45,224</b>                      | <b>80,051</b>       | <b>41,968</b>                     | <b>43,787</b>       | <b>38,249</b>                | <b>15,799</b>              | <b>11,673</b>                       | -                              | <b>73</b>                                 |
| 19                  | General                               | 174,076                | 79,478                      | -                                            | 37,304                        | 10,499                       | 19,073                         | 5,001              | 3,712                              | 6,570               | 3,445                             | 3,594               | 3,139                        | 1,297                      | 958                                 | -                              | 6                                         |
| 20                  | Telecontrol - Common                  | 57,559                 | 38,713                      | -                                            | 18,170                        | 78                           | 598                            | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 21                  | Telecontrol - Specific                | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 22                  | Feasibility Studies                   | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 23                  | Software - General                    | 195,610                | 89,309                      | -                                            | 41,919                        | 11,798                       | 21,433                         | 5,620              | 4,171                              | 7,383               | 3,871                             | 4,038               | 3,528                        | 1,457                      | 1,077                               | -                              | 7                                         |
| 24                  | Software - Cust Acctng                | 84,732                 | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | 84,732                         | -                                         |
| 25                  | <b>Total Depreciation Expense</b>     | <b>2,632,902</b>       | <b>1,175,849</b>            | -                                            | <b>551,901</b>                | <b>150,292</b>               | <b>273,494</b>                 | <b>71,556</b>      | <b>53,107</b>                      | <b>94,004</b>       | <b>49,283</b>                     | <b>51,419</b>       | <b>44,916</b>                | <b>18,553</b>              | <b>13,708</b>                       | <b>84,732</b>                  | <b>86</b>                                 |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Rate Base

|          | 1                                                               | 2                 | 3                      | 4                        | 5            | 7           | 8             | 9         | 10                | 11        | 12              | 13            | 14            | 15              | 16            | 17            | 18                     |  |
|----------|-----------------------------------------------------------------|-------------------|------------------------|--------------------------|--------------|-------------|---------------|-----------|-------------------|-----------|-----------------|---------------|---------------|-----------------|---------------|---------------|------------------------|--|
|          |                                                                 |                   |                        | Production and           |              |             |               |           |                   |           |                 |               |               |                 |               |               |                        |  |
|          |                                                                 |                   |                        | Transmission             | Transmission |             |               |           |                   |           |                 |               |               |                 |               |               |                        |  |
|          |                                                                 |                   |                        | Energy                   | Demand       | Substations | Distribution  |           |                   |           |                 |               |               |                 |               |               |                        |  |
|          |                                                                 |                   |                        | (\$)                     | (\$)         | Demand      | Primary Lines | Customer  | Line Transformers | Customer  | Secondary Lines | Services      | Motors        | Street Lighting | Accounting    |               | Specifically           |  |
| Line No. | Description                                                     | Total Amount (\$) | Production Demand (\$) | Transmission Energy (\$) | Demand (\$)  | Demand (\$) | Demand (\$)   | (\$)      | Demand (\$)       | (\$)      | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) | Customer (\$) | Assigned Customer (\$) |  |
| 1        | Average Net Book Value                                          | 46,844,469        | 14,638,116             | -                        | 17,276,640   | 3,043,421   | 4,627,119     | 1,178,918 | 1,010,014         | 1,787,809 | 820,575         | 846,607       | 888,123       | 328,616         | 266,608       | 127,098       | 4,806                  |  |
| 2        | Cash Working Capital                                            | 136,374           | 42,615                 | -                        | 50,296       | 8,860       | 13,471        | 3,432     | 2,940             | 5,205     | 2,389           | 2,465         | 2,586         | 957             | 776           | 370           | 14                     |  |
| 3        | Fuel Inventory - No. 6 Fuel                                     | -                 | -                      | -                        | -            | -           | -             | -         | -                 | -         | -               | -             | -             | -               | -             | -             | -                      |  |
| 4        | Fuel Inventory - Diesel                                         | 33,808            | 33,808                 | -                        | -            | -           | -             | -         | -                 | -         | -               | -             | -             | -               | -             | -             | -                      |  |
| 5        | Fuel Inventory - Gas Turbine                                    | 50,495            | 50,495                 | -                        | -            | -           | -             | -         | -                 | -         | -               | -             | -             | -               | -             | -             | -                      |  |
| 6        | Inventory/Supplies                                              | 934,204           | 322,456                | -                        | 254,596      | 84,773      | 115,603       | 29,615    | 19,894            | 35,214    | 19,893          | 20,634        | 17,195        | 8,044           | 4,752         | 1,474         | 61                     |  |
| 7        | Deferred Charges:<br>Foreign Exchange Loss and Regulatory Costs | 3,257,955         | 1,018,057              | -                        | 1,201,562    | 211,665     | 321,808       | 81,992    | 70,245            | 124,339   | 57,070          | 58,880        | 61,767        | 22,855          | 18,542        | 8,839         | 334                    |  |
| 8        | Total Rate Base                                                 | 51,257,306        | 16,105,545             | -                        | 18,783,093   | 3,348,719   | 5,078,001     | 1,293,957 | 1,103,093         | 1,952,567 | 899,927         | 928,586       | 969,671       | 360,471         | 290,678       | 137,781       | 5,215                  |  |
| 9        | Less: Rural Portion                                             | -                 | -                      | -                        | -            | -           | -             | -         | -                 | -         | -               | -             | -             | -               | -             | -             | -                      |  |
| 10       | Rate Base Available for Equity Return                           | 51,257,306        | 16,105,545             | -                        | 18,783,093   | 3,348,719   | 5,078,001     | 1,293,957 | 1,103,093         | 1,952,567 | 899,927         | 928,586       | 969,671       | 360,471         | 290,678       | 137,781       | 5,215                  |  |
| 11       | Return on Debt                                                  | 3,438,429         | 1,080,388              | -                        | 1,260,003    | 224,638     | 340,641       | 86,801    | 73,997            | 130,982   | 60,369          | 62,291        | 65,047        | 24,181          | 19,499        | 9,243         | 350                    |  |
| 12       | Return on Equity                                                | 316,328           | 99,393                 | -                        | 115,918      | 20,666      | 31,338        | 7,986     | 6,808             | 12,050    | 5,554           | 5,731         | 5,984         | 2,225           | 1,794         | 850           | 32                     |  |
| 13       | Return on Rate Base                                             | 3,754,758         | 1,179,781              | -                        | 1,375,920    | 245,304     | 371,979       | 94,786    | 80,805            | 143,032   | 65,922          | 68,022        | 71,031        | 26,406          | 21,293        | 10,093        | 382                    |  |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Functional Classification of Rate Base - Documentation

| Line<br>No. | 1<br>Description                           | 2<br>Basis of Functional Classification             |
|-------------|--------------------------------------------|-----------------------------------------------------|
| 1           | Average Net Book Value                     | Sch. 2.3, L. 25                                     |
| 2           | Cash Working Capital                       | Prorated on Average Net Book Value, L. 1            |
| 3           | Fuel Inventory - No. 6 Fuel                |                                                     |
| 4           | Fuel Inventory - Diesel                    | Production - Demand                                 |
| 5           | Fuel Inventory - Gas Turbine               | Production - Demand                                 |
| 6           | Inventory/Supplies                         | Prorated on Total Plant in Service, Sch. 2.2, L. 25 |
|             | Deferred Charges:                          |                                                     |
| 7           | Foreign Exchange Loss and Regulatory Costs | Prorated on Average Net Book Value, L. 1            |
| 8           | Total Rate Base                            |                                                     |
| 9           | Less: Rural Portion                        |                                                     |
| 10          | Rate Base Available for Equity Return      |                                                     |
| 11          | Return on Debt                             | L.8 x Sch.1.1,p2,L.13                               |
| 12          | Return on Equity                           | L.10 x Sch.1.1,p2,L.16                              |
| 13          | Return on Rate Base                        |                                                     |

### Basis of Allocation to Classes of Service

22-Aug-2003

NEWFOUNDLAND & LABRADOR HYDRO

2002 Actual Cost of Service

Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service

|                                                | 1                           | 2                 | 3                      | 4                                       | 5                        | 6                       | 7             | 8             | 9                 | 10            | 11              | 12            | 13            | 14            | 15              | 16            | 17                                  |     |
|------------------------------------------------|-----------------------------|-------------------|------------------------|-----------------------------------------|--------------------------|-------------------------|---------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|-----------------|---------------|-------------------------------------|-----|
| Line No.                                       | Description                 | Total Amount (\$) | Production Demand (\$) | Production and Transmission Energy (\$) | Transmission Demand (\$) | Distribution            |               |               |                   |               |                 |               |               |               |                 |               | Specifically Assigned Customer (\$) |     |
|                                                |                             |                   |                        |                                         |                          | Substations Demand (\$) | Primary Lines |               | Line Transformers |               | Secondary Lines |               | Services      | Meters        | Street Lighting | Accounting    |                                     |     |
|                                                |                             |                   |                        |                                         |                          |                         | Demand (\$)   | Customer (\$) | Demand (\$)       | Customer (\$) | Demand (\$)     | Customer (\$) | Customer (\$) | Customer (\$) | Customer (\$)   | Customer (\$) |                                     |     |
| Allocated Revenue Requirement Excluding Return |                             |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |     |
| 1                                              | CFB - Goose Bay Boiler      | 129,536           | -                      | 129,245                                 | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | 134                                 | 156 |
| 2                                              | IOCC Firm                   | 2,075,183         | 1,228,042              | 388,431                                 | 458,710                  | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   | -   |
| 3                                              | IOCC Non-Firm               | 6,669             | -                      | 6,669                                   | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   | -   |
| 4                                              | 1.1Domestic                 | 278,954           | 37,537                 | 13,908                                  | 14,136                   | 12,103                  | 30,199        | 25,406        | 2,798             | 17,481        | 4,359           | 16,530        | 7,521         | 7,369         | -               | 89,604        | -                                   |     |
| 5                                              | 1.1A Domestic All Electric  | 6,019,678         | 1,423,892              | 462,703                                 | 536,111                  | 459,113                 | 1,146,894     | 266,450       | 106,275           | 183,337       | 165,651         | 173,364       | 78,880        | 77,284        | -               | 939,723       | -                                   |     |
| 6                                              | 2.1GS 0-10 kW               | 176,220           | 19,140                 | 9,340                                   | 7,218                    | 6,172                   | 15,406        | 16,382        | 1,427             | 11,272        | 2,223           | 10,659        | 9,700         | 9,503         | -               | 57,777        | -                                   |     |
| 7                                              | 2.2GS 10-100 kW             | 761,344           | 151,964                | 110,901                                 | 57,366                   | 49,010                  | 122,411       | 22,714        | 11,339            | 15,629        | 17,670          | 14,779        | 54,275        | 53,177        | -               | 80,109        | -                                   |     |
| 8                                              | 2.3GS 110-1,000 kVa         | 621,013           | 157,832                | 153,180                                 | 59,478                   | 50,894                  | 127,085       | 3,896         | 11,775            | 2,680         | 18,348          | 2,535         | 9,885         | 9,685         | -               | 13,739        | -                                   |     |
| 9                                              | 2.4GS Over 1,000 kVa        | 287,685           | 119,170                | 84,130                                  | 45,411                   | 38,472                  | -             | -             | -                 | -             | -               | -             | -             | 208           | -               | 295           | -                                   |     |
| 10                                             | 4.1Street and Area Lighting | 119,923           | 6,610                  | 2,580                                   | 2,496                    | 2,132                   | 5,331         | 10,147        | 494               | 6,982         | 770             | 6,602         | -             | -             | 39,991          | 35,788        | -                                   |     |
| 11                                             | Total                       | 10,476,204        | 3,144,188              | 1,361,088                               | 1,180,926                | 617,895                 | 1,447,327     | 344,996       | 134,108           | 237,383       | 209,021         | 224,469       | 160,260       | 157,226       | 39,991          | 1,217,169     | 156                                 |     |
| Allocated Return on Debt                       |                             |                   |                        |                                         |                          |                         |               |               |                   |               |                 |               |               |               |                 |               |                                     |     |
| 12                                             | CFB - Goose Bay Boiler      | 351               | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | 1             | 350                                 |     |
| 13                                             | IOCC Firm                   | 911,399           | 421,973                | -                                       | 489,426                  | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |     |
| 14                                             | IOCC Non-Firm               | -                 | -                      | -                                       | -                        | -                       | -             | -             | -                 | -             | -               | -             | -             | -             | -               | -             | -                                   |     |
| 15                                             | 1.1Domestic                 | 67,784            | 12,898                 | -                                       | 15,083                   | 4,400                   | 7,108         | 6,392         | 1,544             | 9,646         | 1,259           | 4,587         | 3,053         | 1,133         | -               | 680           | -                                   |     |
| 16                                             | 1.1A Domestic All Electric  | 1,871,952         | 489,270                | -                                       | 572,009                  | 166,912                 | 269,932       | 67,039        | 58,640            | 101,161       | 47,843          | 48,109        | 32,016        | 11,886        | -               | 7,136         | -                                   |     |
| 17                                             | 2.1GS 0-10 kW               | 40,714            | 6,577                  | -                                       | 7,702                    | 2,244                   | 3,626         | 4,122         | 787               | 6,220         | 642             | 2,958         | 3,937         | 1,462         | -               | 439           | -                                   |     |
| 18                                             | 2.2GS 10-100 kW             | 220,669           | 52,217                 | -                                       | 61,208                   | 17,818                  | 28,811        | 5,715         | 6,256             | 8,624         | 5,103           | 4,101         | 22,029        | 8,179         | -               | 608           | -                                   |     |
| 19                                             | 2.3GS 110-1,000 kVa         | 186,672           | 54,234                 | -                                       | 63,460                   | 18,503                  | 29,911        | 980           | 6,497             | 1,479         | 5,299           | 703           | 4,012         | 1,490         | -               | 104           | -                                   |     |
| 20                                             | 2.4GS Over 1,000 kVa        | 103,421           | 40,948                 | -                                       | 48,451                   | 13,987                  | -             | -             | -                 | -             | -               | -             | -             | 32            | -               | 2             | -                                   |     |
| 21                                             | 4.1Street and Area Lighting | 35,467            | 2,271                  | -                                       | 2,663                    | 775                     | 1,255         | 2,553         | 272               | 3,853         | 222             | 1,832         | -             | -             | 19,499          | 272           | -                                   |     |
| 22                                             | Total                       | 3,438,429         | 1,080,388              | -                                       | 1,260,003                | 224,638                 | 340,641       | 86,801        | 73,997            | 130,982       | 60,369          | 62,291        | 65,047        | 24,181        | 19,499          | 9,243         | 350                                 |     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Labrador Interconnected  
Allocation of Functionalized Amounts to Classes of Service

| Line No.                                   | 1<br>Description            | 2<br>Total Amount (\$) | 3<br>Production Demand (\$) | 4<br>Production and Transmission Energy (\$) | 5<br>Transmission Demand (\$) | 6<br>Substations Demand (\$) | 7<br>Primary Lines Demand (\$) | 8<br>Customer (\$) | 9<br>Line Transformers Demand (\$) | 10<br>Customer (\$) | 11<br>Secondary Lines Demand (\$) | 12<br>Customer (\$) | 13<br>Services Customer (\$) | 14<br>Meters Customer (\$) | 15<br>Street Lighting Customer (\$) | 16<br>Accounting Customer (\$) | 17<br>Specifically Assigned Customer (\$) |
|--------------------------------------------|-----------------------------|------------------------|-----------------------------|----------------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------------|
| <b>Allocated Return on Equity</b>          |                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 23                                         | CFB - Goose Bay Boiler      | 32                     | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | 0                              | 32                                        |
| 24                                         | IOCC Firm                   | 83,847                 | 38,821                      | -                                            | 45,026                        | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 25                                         | IOCC Non-Firm               | -                      | -                           | -                                            | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 26                                         | 1.1Domestic                 | 6,236                  | 1,187                       | -                                            | 1,388                         | 405                          | 654                            | 588                | 142                                | 887                 | 116                               | 422                 | 281                          | 104                        | -                                   | 63                             | -                                         |
| 27                                         | 1.1A Domestic All Electric  | 172,216                | 45,012                      | -                                            | 52,624                        | 15,356                       | 24,833                         | 6,167              | 5,395                              | 9,307               | 4,401                             | 4,426               | 2,945                        | 1,093                      | -                                   | 656                            | -                                         |
| 28                                         | 2.1GS 0-10 kW               | 3,746                  | 605                         | -                                            | 709                           | 206                          | 334                            | 379                | 72                                 | 572                 | 59                                | 272                 | 362                          | 134                        | -                                   | 40                             | -                                         |
| 29                                         | 2.2GS 10-100 kW             | 20,301                 | 4,804                       | -                                            | 5,631                         | 1,639                        | 2,651                          | 526                | 576                                | 793                 | 469                               | 377                 | 2,027                        | 752                        | -                                   | 56                             | -                                         |
| 30                                         | 2.3GS 110-1,000 kVa         | 17,173                 | 4,989                       | -                                            | 5,838                         | 1,702                        | 2,752                          | 90                 | 598                                | 136                 | 488                               | 65                  | 369                          | 137                        | -                                   | 10                             | -                                         |
| 31                                         | 2.4GS Over 1,000 kVa        | 9,514                  | 3,767                       | -                                            | 4,457                         | 1,287                        | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 3                          | -                                   | 0                              | -                                         |
| 32                                         | 4.1Street and Area Lighting | 3,263                  | 209                         | -                                            | 245                           | 71                           | 115                            | 235                | 25                                 | 354                 | 20                                | 169                 | -                            | -                          | 1,794                               | 25                             | -                                         |
| 33                                         | <b>Total</b>                | <b>316,328</b>         | <b>99,393</b>               | <b>-</b>                                     | <b>115,918</b>                | <b>20,666</b>                | <b>31,338</b>                  | <b>7,986</b>       | <b>6,808</b>                       | <b>12,050</b>       | <b>5,554</b>                      | <b>5,731</b>        | <b>5,984</b>                 | <b>2,225</b>               | <b>1,794</b>                        | <b>850</b>                     | <b>32</b>                                 |
| <b>Total Allocated Revenue Requirement</b> |                             |                        |                             |                                              |                               |                              |                                |                    |                                    |                     |                                   |                     |                              |                            |                                     |                                |                                           |
| 34                                         | CFB - Goose Bay Boiler      | 129,919                | -                           | 129,245                                      | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | 135                            | 538                                       |
| 35                                         | IOCC Firm                   | 3,070,429              | 1,688,836                   | 388,431                                      | 993,163                       | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 36                                         | IOCC Non-Firm               | 6,669                  | -                           | 6,669                                        | -                             | -                            | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | -                          | -                                   | -                              | -                                         |
| 37                                         | 1.1Domestic                 | 352,974                | 51,622                      | 13,908                                       | 30,606                        | 16,908                       | 37,961                         | 32,387             | 4,484                              | 28,015              | 5,734                             | 21,540              | 10,855                       | 8,607                      | -                                   | 90,347                         | -                                         |
| 38                                         | 1.1A Domestic All Electric  | 8,063,846              | 1,958,174                   | 462,703                                      | 1,160,744                     | 641,380                      | 1,441,659                      | 339,656            | 170,310                            | 293,805             | 217,895                           | 225,899             | 113,841                      | 90,264                     | -                                   | 947,516                        | -                                         |
| 39                                         | 2.1GS 0-10 kW               | 220,680                | 26,322                      | 9,340                                        | 15,629                        | 8,622                        | 19,365                         | 20,883             | 2,287                              | 18,064              | 2,925                             | 13,889              | 13,999                       | 11,099                     | -                                   | 58,256                         | -                                         |
| 40                                         | 2.2GS 10-100 kW             | 1,002,314              | 208,985                     | 110,901                                      | 124,205                       | 68,466                       | 153,872                        | 28,955             | 18,171                             | 25,046              | 23,243                            | 19,257              | 78,331                       | 62,108                     | -                                   | 80,774                         | -                                         |
| 41                                         | 2.3GS 110-1,000 kVa         | 824,858                | 217,055                     | 153,180                                      | 128,776                       | 71,099                       | 159,748                        | 4,966              | 18,869                             | 4,295               | 24,135                            | 3,303               | 14,266                       | 11,312                     | -                                   | 13,853                         | -                                         |
| 42                                         | 2.4GS Over 1,000 kVa        | 400,620                | 163,886                     | 84,130                                       | 98,320                        | 53,745                       | -                              | -                  | -                                  | -                   | -                                 | -                   | -                            | 243                        | -                                   | 297                            | -                                         |
| 43                                         | 4.1Street and Area Lighting | 158,653                | 9,090                       | 2,580                                        | 5,404                         | 2,978                        | 6,701                          | 12,935             | 791                                | 11,189              | 1,013                             | 8,603               | -                            | -                          | 61,284                              | 36,085                         | -                                         |
| 44                                         | <b>Total</b>                | <b>14,230,962</b>      | <b>4,323,969</b>            | <b>1,361,088</b>                             | <b>2,556,846</b>              | <b>863,200</b>               | <b>1,819,306</b>               | <b>439,782</b>     | <b>214,913</b>                     | <b>380,414</b>      | <b>274,944</b>                    | <b>292,491</b>      | <b>231,292</b>               | <b>183,632</b>             | <b>61,284</b>                       | <b>1,227,262</b>               | <b>538</b>                                |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Functionalization & Classification Ratios**

| Line No. | Description                               | 2                | 3                     | 4                                    | 5                       | 6                                    | 7                      | 8                        | 9            | 10                           | 11           | 12                         | 13           | 14                    | 15                  | 16                           | 17                      | 18                                 |
|----------|-------------------------------------------|------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------------|------------------------|--------------------------|--------------|------------------------------|--------------|----------------------------|--------------|-----------------------|---------------------|------------------------------|-------------------------|------------------------------------|
|          |                                           | Total Amount (%) | Production Demand (%) | Production & Transmission Energy (%) | Transmission Demand (%) | Rural Prod & Transmission Demand (%) | Substations Demand (%) | Primary Lines Demand (%) | Customer (%) | Line Transformers Demand (%) | Customer (%) | Secondary Lines Demand (%) | Customer (%) | Services Customer (%) | Meters Customer (%) | Street Lighting Customer (%) | Accounting Customer (%) | Specifically Assigned Customer (%) |
|          | <b>Generation</b>                         |                  |                       |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 1        | Hydraulic                                 | 100%             | 43.85%                | 56.15%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 2        | Hydraulic - GNP                           | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 3        | Holyrood                                  | 100%             | 66.79%                | 33.21%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 4        | Gas Tur Island Intercnctd                 | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 5        | Diesel Island Intercnctd - GNP            | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 6        | Dsl / Gas Tur Island Isolated             | 100%             | 64.85%                | 35.15%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 7        | Dsl / Gas Tur Labrador Isolated           | 100%             | 52.08%                | 47.92%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 8        | Dsl / Gas Tur L'Anse au Loup              | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 9        | Dsl / Gas Tur Labrador Intercnctd         | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
|          | <b>Fuel</b>                               |                  |                       |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 10       | No. 6 Fuel                                | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 11       | Gas Tur Island Intercnctd                 | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 12       | Diesel Island Intercnctd - GNP            | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 13       | Dsl / Gas Tur Island / Lab Isolated       | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 14       | Dsl / Gas Tur L'Anse au Loup              | 100%             | 0.00%                 | 100.00%                              |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 15       | Dsl / Gas Tur Labrador Intercnctd         | 100%             | 100.00%               | 0.00%                                |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
|          | <b>Transmission Lines &amp; Terminals</b> |                  |                       |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 16       | Lines                                     | 100%             |                       | 0.00%                                | 100%                    |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 17       | Lines - Hydraulic                         | 100%             | 43.85%                | 56.15%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 18       | Lines - Customer Specific                 | 100%             |                       |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 19       | Terminal Stations                         | 100%             |                       | 0.00%                                | 100%                    |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         | 100%                               |
| 20       | Term Stns - Hydraulic                     | 100%             | 43.85%                | 56.15%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 21       | Term Stns - Holyrood                      | 100%             | 66.79%                | 33.21%                               |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 22       | Term Stns - Gas Tur                       | 100%             | 100%                  |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 23       | Term Stns - Diesel GNP                    | 100%             | 0.00%                 | 0.00%                                |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 24       | Terminal Stations - Distribution          | 100%             |                       |                                      |                         |                                      | 100%                   |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 25       | Term Stns - Custmr Specific               | 100%             |                       |                                      |                         |                                      |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         | 100%                               |
| 26       | Rural Lines                               | 100%             |                       |                                      |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |
| 27       | Rural Terminal Stations                   | 100%             |                       |                                      |                         | 100.0%                               |                        |                          |              |                              |              |                            |              |                       |                     |                              |                         |                                    |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Functionalization & Classification Ratios

| Line No. | Description                                 | 1                | 2                     | 3                                    | 4                       | 5                                    | 6     | 7                      | 8                        | 9                          | 10                           | 11                             | 12                         | 13                           | 14                    | 15                  | 16                           | 17                      | 18                                 |
|----------|---------------------------------------------|------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------------|-------|------------------------|--------------------------|----------------------------|------------------------------|--------------------------------|----------------------------|------------------------------|-----------------------|---------------------|------------------------------|-------------------------|------------------------------------|
|          |                                             | Total Amount (%) | Production Demand (%) | Production & Transmission Energy (%) | Transmission Demand (%) | Rural Prod & Transmission Demand (%) |       | Substations Demand (%) | Primary Lines Demand (%) | Primary Lines Customer (%) | Line Transformers Demand (%) | Line Transformers Customer (%) | Secondary Lines Demand (%) | Secondary Lines Customer (%) | Services Customer (%) | Meters Customer (%) | Street Lighting Customer (%) | Accounting Customer (%) | Specifically Assigned Customer (%) |
|          | Distribution                                |                  |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 28       | Substation Structures & Equipment           |                  |                       |                                      |                         |                                      |       | 100%                   |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 29       | Land & Land Improvements - by Sub-function: |                  |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 30       | Primary                                     | 85%              |                       |                                      |                         |                                      |       |                        | 88.7%                    | 11.3%                      |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 31       | Secondary                                   | 15%              |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                | 58.3%                      | 41.7%                        |                       |                     |                              |                         |                                    |
| 32       | Land & Land Improvements                    | 100%             |                       |                                      |                         |                                      |       |                        | 75.4%                    | 9.6%                       |                              |                                | 8.7%                       | 6.3%                         |                       |                     |                              |                         |                                    |
| 33       | Poles - by Subfunction:                     |                  |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 34       | 3 phase - Primary                           | 41.2%            |                       |                                      |                         |                                      |       |                        | 100.0%                   |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 35       | Other Primary                               | 36.4%            |                       |                                      |                         |                                      |       |                        | 45.7%                    | 54.3%                      |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 36       | Secondary                                   | 22.4%            |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                | 45.7%                      | 54.3%                        |                       |                     |                              |                         |                                    |
| 37       | Poles                                       | 100%             |                       |                                      |                         |                                      |       |                        | 57.8%                    | 19.8%                      |                              |                                | 10.2%                      | 12.2%                        |                       |                     |                              |                         |                                    |
| 38       | Primary Condctr & Equip                     | 100%             |                       |                                      |                         |                                      |       |                        | 88.7%                    | 11.3%                      |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 39       | Submarine Conductor                         | 100%             |                       |                                      |                         |                                      |       |                        | 100.0%                   |                            |                              |                                |                            |                              |                       |                     |                              |                         |                                    |
| 40       | Transformers                                | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            | 36.1%                        | 63.9%                          |                            |                              |                       |                     |                              |                         |                                    |
| 41       | Secondary Condctr & Equip                   | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                | 58.3%                      | 41.7%                        |                       |                     |                              |                         |                                    |
| 42       | Services                                    | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              | 100.0%                |                     |                              |                         |                                    |
| 43       | Meters                                      | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       | 100.0%              |                              |                         |                                    |
| 44       | Street Lighting                             | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       |                     | 100.0%                       |                         |                                    |
| 45       | Customer Accounting                         | 100%             |                       |                                      |                         |                                      |       |                        |                          |                            |                              |                                |                            |                              |                       |                     |                              | 100.0%                  |                                    |
| 46       | Distribution excluding Meters               | 100%             | 0.00%                 |                                      |                         |                                      | 1.26% | 7.15%                  | 51.59%                   | 12.40%                     | 2.70%                        | 4.77%                          | 7.02%                      | 7.73%                        | 4.42%                 |                     | 0.96%                        |                         |                                    |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**

**System Load Factor**

| Line<br>No. | 1                                         | 2                        | 3                  | 4                    | 5                 | 6                          |
|-------------|-------------------------------------------|--------------------------|--------------------|----------------------|-------------------|----------------------------|
|             |                                           | Island<br>Interconnected | Island<br>Isolated | Labrador<br>Isolated | L'Anse<br>au Loup | Labrador<br>Interconnected |
| 1           | Sales+Losses for System Load Factor (MWh) | 6,472,568                | 10,929             | 38,419               | 14,697            | 896,534                    |
| 2           | Hours in Year                             | 8,760                    | 8,760              | 8,760                | 8,760             | 8,760                      |
| 3           | Average Demand (kW)                       | 738,878                  | 1,248              | 4,386                | 1,678             | 102,344                    |
| 4           | Coincident Peak at Generation (kW)        | 1,315,893                | 3,549              | 9,153                | 3,667             | 179,358                    |
| 5           | System Load Factor                        | 56.15%                   | 35.15%             | 47.92%               | 45.75%            | 57.06%                     |

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Actual Cost of Service  
Holyrood Capacity Factor

|          | 1              | 2                    | 3                 | 4                    | 5                   |
|----------|----------------|----------------------|-------------------|----------------------|---------------------|
| Line No. | Year           | Net Production (kWh) | Net Capacity (MW) | Net Production Hours | Net Capacity Factor |
| 1        | 1997 Actual    | 1,531,300,920        | 466               | 8,760                | 37.51%              |
| 2        | 1998 Actual    | 1,263,264,060        | 466               | 8,760                | 30.95%              |
| 3        | 1999 Actual    | 919,801,520          | 466               | 8,760                | 22.53%              |
| 4        | 2000 Actual    | 970,283,280          | 466               | 8,784                | 23.70%              |
| 5        | 2001 Actual    | 2,098,489,700        | 466               | 8,760                | 51.41%              |
| 6        | 5-Year Average | 1,356,627,896        | 466               | 8,765                | 33.21%              |

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2002 Actual Cost of Service**  
**Total System**  
**Power Purchases**

|                                 | 1                 | 2                      | 3                                     | 4                        | 5                              | 6                        | 7              |                                                |
|---------------------------------|-------------------|------------------------|---------------------------------------|--------------------------|--------------------------------|--------------------------|----------------|------------------------------------------------|
| Line No.                        | Total (\$)        | Production Demand (\$) | Production & Transmission Energy (\$) | Transmission Demand (\$) | Rural Transmission Demand (\$) | Distribution Demand (\$) |                | Basis of Functional Classification             |
| <b>Island Interconnected:</b>   |                   |                        |                                       |                          |                                |                          |                |                                                |
| 1 DLP Secondary                 | 1,915             |                        | 1,915                                 |                          |                                |                          |                | Production - Energy (Same as RSP Sec Load Var) |
| 2 AP Secondary                  | 94,259            |                        | 94,259                                |                          |                                |                          |                | Production - Energy (Secondary)                |
| 3 Wheeling                      | 446,294           |                        |                                       |                          |                                | 446,294                  |                | Rural Transmission                             |
| 4 Interruptible Demand          | 1,297,200         | 1,297,200              | -                                     |                          |                                |                          |                | Production - Demand                            |
| 5 Interruptible Energy          | -                 |                        | -                                     |                          |                                |                          |                | Production - Energy                            |
| 6 Non-utility Generation        | 10,713,865        | 4,698,000              | 6,015,865                             |                          |                                |                          |                | Energy: System Load Factor                     |
| 7 <b>Subtotal</b>               | <b>12,553,533</b> | <b>5,995,200</b>       | <b>6,112,039</b>                      | <b>-</b>                 | <b>446,294</b>                 | <b>-</b>                 |                |                                                |
| <b>Labrador Interconnected:</b> |                   |                        |                                       |                          |                                |                          |                |                                                |
| 8 CF(L)Co                       | 2,385,311         | 1,024,224              | 1,361,088                             |                          |                                |                          |                | Energy: System Load Factor                     |
| 9 Other                         | 185,912           |                        |                                       |                          |                                |                          | 185,912        |                                                |
| 10 <b>Subtotal</b>              | <b>2,571,223</b>  | <b>1,024,224</b>       | <b>1,361,088</b>                      | <b>-</b>                 | <b>-</b>                       | <b>-</b>                 | <b>185,912</b> |                                                |
| <b>Isolated Systems:</b>        |                   |                        |                                       |                          |                                |                          |                |                                                |
| 11 Mary's Harbour               | 24,960            |                        | 24,960                                |                          |                                |                          |                | Production - Energy                            |
| 12 L'Anse au Loup               | 731,346           |                        | 731,346                               |                          |                                |                          |                | Production - Energy                            |
| 13 <b>Subtotal</b>              | <b>756,306</b>    | <b>-</b>               | <b>756,306</b>                        | <b>-</b>                 | <b>-</b>                       | <b>-</b>                 | <b>-</b>       |                                                |
| 14 <b>Total</b>                 | <b>15,881,061</b> | <b>7,019,424</b>       | <b>8,229,433</b>                      | <b>-</b>                 | <b>446,294</b>                 | <b>-</b>                 | <b>185,912</b> |                                                |