

- 1    Q.    Outline quantitatively the impact on the Cost of Service Study of the  
2           introduction of new generation sources in 2003 as forecast in the five year  
3           plan of Hydro produced in the 2001 General Rate Hearing.  
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6    A.    Please see attached. It should be noted that this analysis did not include  
7           additional fuel costs to replace the costs of removing Granite Canal and new  
8           source power forecast to be purchased from Corner Brook Pulp and Paper  
9           Limited and the Exploits River Hydro Partnership.

**Newfoundland and Labrador Hydro  
2004 Test Year Scenario Analysis  
Customer Impacts: Granite Canal & New Co-generation Removed**

Line No.	1	2	3	4	5	6
	Revenue Requirement Before Revenue Credit and Deficit Allocation			Revenue Requirement After Revenue Credit and Deficit Allocation		
	GNP Generation Assigned Rural	Granite Canal & Co- gen Removed	Increase (Decrease)	GNP Generation Assigned Rural	Granite Canal & Co- gen Removed	Increase (Decrease)
<b>Total System</b>						
1 Newfoundland Power	222,506,054	199,354,822	(23,151,232)	258,876,731	234,108,653	(24,768,078)
2 Island Industrial	52,290,690	46,960,629	(5,330,061)	52,313,650	46,985,472	(5,328,178)
3 Labrador Industrial	2,654,841	2,663,714	8,874	2,654,841	2,663,714	8,874
4 CFB - Goose Bay Secondary	129,975	129,980	4	3,014,118	3,014,118	-
5 Rural Labrador Interconnected	10,694,710	10,726,441	31,731	12,706,161	12,578,132	(128,029)
<b>Rural Deficit Areas</b>						
6 Island Interconnected	54,593,258	52,781,484	(1,811,774)	35,167,578	35,167,578	-
7 Island Isolated	8,299,138	8,308,837	9,699	1,575,076	1,575,076	-
8 Labrador Isolated	20,101,385	20,124,229	22,844	6,192,661	6,192,661	-
9 L'Anse au Loup	2,745,185	2,749,689	4,504	1,514,420	1,514,420	-
10 <b>Subtotal</b>	<b>85,738,966</b>	<b>83,964,239</b>	<b>(1,774,727)</b>	<b>44,449,735</b>	<b>44,449,735</b>	<b>-</b>
11 <b>Total</b>	<b>374,015,236</b>	<b>343,799,825</b>	<b>(30,215,412)</b>	<b>374,015,236</b>	<b>343,799,825</b>	<b>(30,215,412)</b>