

- 1 Q. Explain in detail the basis for each of the estimated Specifically Assigned
2 amounts set out in the 2004 forecast Cost of Service, as well as the basis for
3 each of the allocations to NP and each IC set out therein.
4
5
6 A. The detailed calculations for the specifically assigned amounts, by customer,
7 are attached. These calculations reflect the revisions to the specifically
8 assigned charges filed with IC-24 NLH.

NEWFOUNDLAND AND LABRADOR HYDRO
Components of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)

	Corner Brook Pulp & Paper	Abitibi Consolidated S'veille	Grand Falls	North Atlantic Refining	Total Industrial	NF Power
Summary:						
(1) Operating and Maintenance	99,281	27,311	796	58,169	185,557	618,402
(2) Depreciation	36,705	30,070	281	54,979	122,036	727,761
(3) Gain/Loss on Disposal of Fixed Assets	243	238	5	325	812	3,984
(4) Return on Debt	46,392	45,459	916	62,064	154,832	759,646
(5) Return on Equity	8,494	8,323	168	11,363	28,347	139,076
(6) Subtotal	191,115	111,402	2,166	186,900	491,584	2,248,868
(7) Revenue Credit Allocation:						
Customer Specific Charges	191,115	111,402	2,166	186,900	491,584	2,248,868
Customer Revenue Reqmnt	52,283,791	52,283,791	52,283,791	52,283,791	52,283,791	222,490,492
x Customer Revenue Credit	(4,332)	(4,332)	(4,332)	(4,332)	(4,332)	(18,435)
	(16)	(9)	(0)	(15)	(41)	(186)
(8) Deficit Allocation:						
Customer Specific Charges	191,115	111,402	2,166	186,900	491,584	2,248,868
Revenue Reqmnt	52,283,791	52,283,791	52,283,791	52,283,791	52,283,791	222,490,492
x Customer Deficit	0	0	0	0	0	36,389,000
	0	0	0	0	0	367,809
(9) Total Specifically Assigned Charges	191,100	111,392	2,166	186,885	491,543	2,616,491

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Corner Brook Pulp & Paper

				Sp Assigned Charge
Operating and Maintenance (O&M) Costs:				
(1) Transmission:				
<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	3,640,022	=	0
289,235,663				
(2) Terminal Stations:				
<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>2,140,496</u>	x	3,127,365	=	47,321
141,461,519				
(3) Transmission Other:	Customer Revenue Credit			
<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>2,140,496</u>	x	1,351,249	=	6,715
430,697,182				
(4) Administration & General Overheads:				
Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is then divided by the sum of items (a) to (h) below.				
(a) Transmission O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>18,308,968</u>	x	2,069,447	=	87,972
430,697,182				
(b) Prod., Transmission & Distn O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>18,308,968</u>	x	0	=	0
1,594,150,032				
(c) Telecontrol O&M Overhead:				
<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>98,244</u>	x	0	=	0
269,144				

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Corner Brook Pulp & Paper

				Sp Assigned Charge
(d) General Plant-related O&M Overhead:				
<u>Total Specifically Assigned Plant</u>	x	General Plt-Related O&M O/H		
Total Plant				
<u>19,960,843</u>	x	373,682	=	4,275
1,744,795,617				
(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Productn & Transmsn O&M O/H		
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt				
<u>18,308,968</u>	x	1,727,795	=	55,979
565,109,831				
(f) Property Insurance:				
<u>Total Cust Term Stn Plant + Allocated Gen Plt</u>	x	Property Insurance		
Total Insured Plant				
<u>14,978,593</u>	x	1,139,916	=	12,583
1,356,951,524				
(g) Expense-Related (GTDC) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTDC) O&M Overheads		
Total Direct O&M Expense				
<u>414,948</u>	x	21,121,042	=	218,257
40,155,091				
(h) Expense-Related (GTD) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTD) O&M Overheads		
Total Direct GTD O&M Expense				
<u>414,948</u>	x	896,296	=	9,603
38,730,885				
Total Specifically Assigned O&M Overheads				388,669
Customer Share of Overhead O&M Expense:				
<u>Customer Trans Line & Terminal Stn Plant</u>	x	Total Spec. Assigned O&M Overheads		
Total Customer Trans Line & Term Stn Plt				
<u>2,140,496</u>	x	388,669	=	45,439
18,308,968				
(4) Expense Credit Allocation:				
Rental Income				(12)
Other				(483)
(5) Revenue-Related				300
Total Operating & Maintenance Costs:				<u>99,281</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Corner Brook Pulp & Paper

	Sp Assigned Charge
Depreciation Expense:	
(1) Transmission	0
(2) Terminal Stations	21,545
(3) Feasibility Studies	0
(4) General Plant Depreciation Allocation: The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.	
(a) General Plant Depreciation Allocation: <u>Specifically Assigned Direct O&M Expense</u> x Total Gen Plant Depreciation Total Direct O&M Expense	
<u>414,948</u> 40,155,091	x 9,211,030 = 95,183
(b) General Feas Studies & Software Depreciation Allocation: <u>Spec Assigned Direct Feas Stu & Software Depn Exp</u> x Total Feas Studies & Software Depreciation Total Direct Depreciation Expense	
<u>724,468</u> 18,033,263	x 528,577 = 21,235
Total Specifically Assigned General Depreciation	<u>116,419</u>
Customer Share of General Depreciation Expense: <u>Customer Direct O&M Expense</u> x Total Spec. Assigned General Depreciation Exp Specifically Assigned Direct O&M Expense	
<u>54,037</u> 414,948	x 116,419 = 15,161
Total Depreciation Expense	<u><u>36,705</u></u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Corner Brook Pulp & Paper

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal					
<u>Total Specific Net Book Value</u>	x	Gain/Loss on Disposal			
Total Net Book Value					
 11,877,430	x	515,443	=		4,796
1,276,638,287					

Customer Share of Gain/Loss:

Customer NBV					
<u>Total Specifically Assigned Net Book Value</u>	x	Total Specifically Assigned Gain/Loss on Disposal			
 569,235	x	4,796	=		243
11,220,639					

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:					
<u>Total Specific Rate Base</u>	x	Return on Debt			
Total Rate Base for Debt					
 12,818,316	x	98,909,681	=		914,478
1,386,425,990					

Customer Share of Return on Debt

Customer NBV					
<u>Total Specifically Assigned Net Book Value</u>	x	Total Specifically Assigned Return on Debt			
 569,235	x	914,478	=		46,392
11,220,639					

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:					
<u>Total Specific Rate Base</u>	x	Return on Equity			
Total Rate Base for Equity					
 12,818,316	x	15,958,071	=		167,423
1,221,787,398					

Customer Share of Return on Equity:

Customer NBV					
<u>Total Specifically Assigned Net Book Value</u>	x	Total Specifically Assigned Return on Equity			
 569,235	x	167,423	=		8,494
11,220,639					

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Stephenville

				Sp Assigned Charge
Operating and Maintenance (O&M) Costs:				
(1) Transmission:				
<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
122,926	x	3,640,022	=	1,547
289,235,663				
(2) Terminal Stations:				
<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
489,197	x	3,127,365	=	10,815
141,461,519				
(3) Transmission Other:	Customer Revenue Credit			
<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
612,123	x	1,351,249	=	1,920
430,697,182				
(4) Administration & General Overheads:				
Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of spe Customer Deficit sum of items (a) to (h) below.				
(a) Transmission O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
18,308,968	x	2,069,447	=	87,972
430,697,182				
(b) Prod., Transmission & Distn O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
18,308,968	x	0	=	0
1,594,150,032				
(c) Telecontrol O&M Overhead:				
<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
98,244	x	0	=	0
269,144				

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Stephenville

				Sp Assigned Charge
(d) General Plant-related O&M Overhead:				
<u>Total Specifically Assigned Plant</u>	x	General Plt-Related O&M O/H		
Total Plant				
<u>19,960,843</u>	x	373,682	=	4,275
1,744,795,617				
(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Productn & Transmsn O&M O/H		
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt				
<u>18,308,968</u>	x	1,727,795	=	55,979
565,109,831				
(f) Property Insurance:				
<u>Total Cust Term Stn Plant + Allocated Gen Plt</u>	x	Property Insurance		
Total Insured Plant				
<u>14,978,593</u>	x	1,139,916	=	12,583
1,356,951,524				
(g) Expense-Related (GTDC) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTDC) O&M Overheads		
Total Direct O&M Expense				
<u>414,948</u>	x	21,121,042	=	218,257
40,155,091				
(h) Expense-Related (GTD) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTD) O&M Overheads		
Total Direct GTD O&M Expense				
<u>414,948</u>	x	896,296	=	9,603
38,730,885				
Total Specifically Assigned O&M Overheads				388,669
Customer Share of Overhead O&M Expense:				
<u>Customer Trans Line & Terminal Stn Plant</u>	x	Total Spec. Assigned O&M Overheads		
Total Customer Trans Line & Term Stn Plt				
<u>612,123</u>	x	388,669	=	12,994
18,308,968				
(4) Expense Credit Allocation:				
Rental Income				(3)
Other				(138)
(5) Revenue-Related				175
Total Operating & Maintenance Costs:				<u>27,311</u>

				Sp Assigned Charge
Depreciation Expense:				
(1) Transmission				1,449
(2) Terminal Stations				15,704
(3) Feasibility Studies				8,910
(4) General Plant Depreciation Allocation:				
The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.				
(a) General Plant Depreciation Allocation:				
<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation		
Total Direct O&M Expense				
414,948	x	9,211,030	=	95,183
40,155,091				
(b) General Feas Studies & Software Depreciation Allocation:				
<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation		
Total Direct Depreciation Expense				
724,468	x	528,577	=	21,235
18,033,263				
Total Specifically Assigned General Depreciation				116,419
Customer Share of General Depreciation Expense:				
<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp		
Specifically Assigned Direct O&M Expense				
14,282	x	116,419	=	4,007
414,948				
Total Depreciation Expense				30,070

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Stephenville

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

11,877,430
1,276,638,287

x 515,443 = 4,796

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

557,787
11,220,639

x 4,796 = 238

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

12,818,316
1,386,425,990

x 98,909,681 = 914,478

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

557,787
11,220,639

x 914,478 = 45,459

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

12,818,316
1,221,787,398

x 15,958,071 = 167,423

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

557,787
11,220,639

x 167,423 = 8,323

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Grand Falls

				Sp Assigned Charge
Operating and Maintenance (O&M) Costs:				
(1) Transmission:				
<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	3,640,022	=	0
289,235,663				
(2) Terminal Stations:				
<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>17,148</u>	x	3,127,365	=	379
141,461,519				
(3) Transmission Other:	Customer Revenue Credit			
<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>17,148</u>	x	1,351,249	=	54
430,697,182				
(4) Administration & General Overheads:				
Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned Customer Deficit sum of items (a) to (h) below.				
(a) Transmission O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>18,308,968</u>	x	2,069,447	=	87,972
430,697,182				
(b) Prod., Transmission & Distn O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>18,308,968</u>	x	0	=	0
1,594,150,032				
(c) Telecontrol O&M Overhead:				
<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>98,244</u>	x	0	=	0
269,144				

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Grand Falls

				Sp Assigned Charge
(d) General Plant-related O&M Overhead:				
<u>Total Specifically Assigned Plant</u>	x	General Plt-Related O&M O/H		
Total Plant				
<u>19,960,843</u>	x	373,682	=	4,275
1,744,795,617				
(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Productn & Transmsn O&M O/H		
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt				
<u>18,308,968</u>	x	1,727,795	=	55,979
565,109,831				
(f) Property Insurance:				
<u>Total Cust Term Stn Plant + Allocated Gen Plt</u>	x	Property Insurance		
Total Insured Plant				
<u>14,978,593</u>	x	1,139,916	=	12,583
1,356,951,524				
(g) Expense-Related (GTDC) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTDC) O&M Overheads		
Total Direct O&M Expense				
<u>414,948</u>	x	21,121,042	=	218,257
40,155,091				
(h) Expense-Related (GTD) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTD) O&M Overheads		
Total Direct GTD O&M Expense				
<u>414,948</u>	x	896,296	=	9,603
38,730,885				
Total Specifically Assigned O&M Overheads				388,669
Customer Share of Overhead O&M Expense:				
<u>Customer Trans Line & Terminal Stn Plant</u>	x	Total Spec. Assigned O&M Overheads		
Total Customer Trans Line & Term Stn Plt				
<u>17,148</u>	x	388,669	=	364
18,308,968				
(4) Expense Credit Allocation:				
Rental Income				(0)
Other				(4)
(5) Revenue-Related				3
Total Operating & Maintenance Costs:				<u>796</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Grand Falls

	Sp Assigned Charge
Depreciation Expense:	
(1) Transmission	0
(2) Terminal Stations	160
(3) Feasibility Studies	0
(4) General Plant Depreciation Allocation: The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.	
(a) General Plant Depreciation Allocation: <u>Specifically Assigned Direct O&M Expense</u> x Total Gen Plant Depreciation Total Direct O&M Expense	
<u>414,948</u> 40,155,091	x 9,211,030 = 95,183
(b) General Feas Studies & Software Depreciation Allocation: <u>Spec Assigned Direct Feas Stu & Software Depn Exp</u> x Total Feas Studies & Software Depreciation Total Direct Depreciation Expense	
<u>724,468</u> 18,033,263	x 528,577 = 21,235
Total Specifically Assigned General Depreciation	<u>116,419</u>
Customer Share of General Depreciation Expense: <u>Customer Direct O&M Expense</u> x Total Spec. Assigned General Depreciation Exp Specifically Assigned Direct O&M Expense	
<u>433</u> 414,948	x 116,419 = 121
Total Depreciation Expense	<u><u>281</u></u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Abitibi Grand Falls

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal					
<u>Total Specific Net Book Value</u>	x	Gain/Loss on Disposal			
Total Net Book Value					
 11,877,430	x	515,443	=		4,796
1,276,638,287					

Customer Share of Gain/Loss:

Customer NBV					
<u>Customer NBV</u>	x	Total Specifically Assigned Gain/Loss on Disposal			
Total Specifically Assigned Net Book Value					
 11,236	x	4,796	=		<u>5</u>
11,220,639					

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:					
<u>Total Specific Rate Base</u>	x	Return on Debt			
Total Rate Base for Debt					
 12,818,316	x	98,909,681	=		914,478
1,386,425,990					

Customer Share of Return on Debt

Customer NBV					
<u>Customer NBV</u>	x	Total Specifically Assigned Return on Debt			
Total Specifically Assigned Net Book Value					
 11,236	x	914,478	=		<u>916</u>
11,220,639					

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:					
<u>Total Specific Rate Base</u>	x	Return on Equity			
Total Rate Base for Equity					
 12,818,316	x	15,958,071	=		167,423
1,221,787,398					

Customer Share of Return on Equity:

Customer NBV					
<u>Customer NBV</u>	x	Total Specifically Assigned Return on Equity			
Total Specifically Assigned Net Book Value					
 11,236	x	167,423	=		<u>168</u>
11,220,639					

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
North Atlantic Refining Limited

				Sp Assigned Charge
Operating and Maintenance (O&M) Costs:				
(1) Transmission:				
<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	3,640,022	=	0
289,235,663				
(2) Terminal Stations:				
<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>1,251,577</u>	x	3,127,365	=	27,669
141,461,519				
(3) Transmission Other:	Customer Revenue Credit			
<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>1,251,577</u>	x	1,351,249	=	3,927
430,697,182				
(4) Administration & General Overheads:				
Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of speCustomer Deficit sum of items (a) to (h) below.				
(a) Transmission O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>18,308,968</u>	x	2,069,447	=	87,972
430,697,182				
(b) Prod., Transmission & Distn O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>18,308,968</u>	x	0	=	0
1,594,150,032				
(c) Telecontrol O&M Overhead:				
<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>98,244</u>	x	0	=	0
269,144				

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
North Atlantic Refining Limited

				Sp Assigned Charge
(d) General Plant-related O&M Overhead:				
<u>Total Specifically Assigned Plant</u>	x	General Plt-Related O&M O/H		
Total Plant				
<u>19,960,843</u>	x	373,682	=	4,275
1,744,795,617				
(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Productn & Transmsn O&M O/H		
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt				
<u>18,308,968</u>	x	1,727,795	=	55,979
565,109,831				
(f) Property Insurance:				
<u>Total Cust Term Stn Plant + Allocated Gen Plt</u>	x	Property Insurance		
Total Insured Plant				
<u>14,978,593</u>	x	1,139,916	=	12,583
1,356,951,524				
(g) Expense-Related (GTDC) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTDC) O&M Overheads		
Total Direct O&M Expense				
<u>414,948</u>	x	21,121,042	=	218,257
40,155,091				
(h) Expense-Related (GTD) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTD) O&M Overheads		
Total Direct GTD O&M Expense				
<u>414,948</u>	x	896,296	=	9,603
38,730,885				
Total Specifically Assigned O&M Overheads				388,669
Customer Share of Overhead O&M Expense:				
<u>Customer Trans Line & Terminal Stn Plant</u>	x	Total Spec. Assigned O&M Overheads		
Total Customer Trans Line & Term Stn Plt				
<u>1,251,577</u>	x	388,669	=	26,569
18,308,968				
(4) Expense Credit Allocation:				
Rental Income				(7)
Other				(283)
(5) Revenue-Related				294
Total Operating & Maintenance Costs:				<u>58,169</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
North Atlantic Refining Limited

	Sp Assigned Charge
Depreciation Expense:	
(1) Transmission	0
(2) Terminal Stations	46,114
(3) Feasibility Studies	0
(4) General Plant Depreciation Allocation: The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.	
(a) General Plant Depreciation Allocation:	
<u>Specifically Assigned Direct O&M Expense</u>	x Total Gen Plant Depreciation
Total Direct O&M Expense	
<u>414,948</u>	x 9,211,030 = 95,183
40,155,091	
(b) General Feas Studies & Software Depreciation Allocation:	
<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x Total Feas Studies & Software Depreciation
Total Direct Depreciation Expense	
<u>724,468</u>	x 528,577 = 21,235
18,033,263	
Total Specifically Assigned General Depreciation	116,419
Customer Share of General Depreciation Expense:	
<u>Customer Direct O&M Expense</u>	x Total Spec. Assigned General Depreciation Exp
Specifically Assigned Direct O&M Expense	
<u>31,596</u>	x 116,419 = 8,865
414,948	
Total Depreciation Expense	<u>54,979</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
North Atlantic Refining Limited

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal					
<u>Total Specific Net Book Value</u>	x	Gain/Loss on Disposal			
Total Net Book Value					
 11,877,430	x	515,443	=		4,796
1,276,638,287					

Customer Share of Gain/Loss:

<u>Customer NBV</u>					
Total Specifically Assigned Net Book Value	x	Total Specifically Assigned Gain/Loss on Disposal			
 761,531	x	4,796	=		<u>325</u>
11,220,639					

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:					
<u>Total Specific Rate Base</u>	x	Return on Debt			
Total Rate Base for Debt					
 12,818,316	x	98,909,681	=		914,478
1,386,425,990					

Customer Share of Return on Debt

<u>Customer NBV</u>					
Total Specifically Assigned Net Book Value	x	Total Specifically Assigned Return on Debt			
 761,531	x	914,478	=		<u>62,064</u>
11,220,639					

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:					
<u>Total Specific Rate Base</u>	x	Return on Equity			
Total Rate Base for Equity					
 12,818,316	x	15,958,071	=		167,423
1,221,787,398					

Customer Share of Return on Equity:

<u>Customer NBV</u>					
Total Specifically Assigned Net Book Value	x	Total Specifically Assigned Return on Equity			
 761,531	x	167,423	=		<u>11,363</u>
11,220,639					

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Newfoundland Power

				Sp Assigned Charge
Operating and Maintenance (O&M) Costs:				
(1) Transmission:				
<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
4,839,976	x	3,640,022	=	60,911
289,235,663				
(2) Terminal Stations:				
<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
9,447,648	x	3,127,365	=	208,864
141,461,519				
(3) Transmission Other:	Customer Revenue Credit			
<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
14,287,624	x	1,351,249	=	44,825
430,697,182				
(4) Administration & General Overheads:				
Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of spe Customer Deficit sum of items (a) to (h) below.				
(a) Transmission O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
18,308,968	x	2,069,447	=	87,972
430,697,182				
(b) Prod., Transmission & Distn O&M Overhead:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
18,308,968	x	0	=	0
1,594,150,032				
(c) Telecontrol O&M Overhead:				
<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
98,244	x	0	=	0
269,144				

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Newfoundland Power

				Sp Assigned Charge
(d) General Plant-related O&M Overhead:				
<u>Total Specifically Assigned Plant</u>	x	General Plt-Related O&M O/H		
Total Plant				
<u>19,960,843</u>	x	373,682	=	4,275
1,744,795,617				
(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:				
<u>Total Customer Transmsn & Term Stn Plant</u>	x	Productn & Transmsn O&M O/H		
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt				
<u>18,308,968</u>	x	1,727,795	=	55,979
565,109,831				
(f) Property Insurance:				
<u>Total Cust Term Stn Plant + Allocated Gen Plt</u>	x	Property Insurance		
Total Insured Plant				
<u>14,978,593</u>	x	1,139,916	=	12,583
1,356,951,524				
(g) Expense-Related (GTDC) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTDC) O&M Overheads		
Total Direct O&M Expense				
<u>414,948</u>	x	21,121,042	=	218,257
40,155,091				
(h) Expense-Related (GTD) O&M Overhead:				
<u>Total Direct Spec Assigned O&M Expense</u>	x	Expense-Related (GTD) O&M Overheads		
Total Direct GTD O&M Expense				
<u>414,948</u>	x	896,296	=	9,603
38,730,885				
Total Specifically Assigned O&M Overheads				388,669
Customer Share of Overhead O&M Expense:				
<u>Customer Trans Line & Terminal Stn Plant</u>	x	Total Spec. Assigned O&M Overheads		
Total Customer Trans Line & Term Stn Plt				
<u>14,287,624</u>	x	388,669	=	303,302
18,308,968				
(4) Expense Credit Allocation:				
Rental Income				(53)
Other				(3,227)
(5) Revenue-Related				3,779
Total Operating & Maintenance Costs:				<u>618,402</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Newfoundland Power

	Sp Assigned Charge
Depreciation Expense:	
(1) Transmission	226,143
(2) Terminal Stations	413,353
(3) Feasibility Studies	0
(4) General Plant Depreciation Allocation: The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.	
(a) General Plant Depreciation Allocation: <div style="display: flex; justify-content: space-between;"> <div> <u>Specifically Assigned Direct O&M Expense</u> Total Direct O&M Expense </div> <div> x Total Gen Plant Depreciation </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>414,948</u> 40,155,091 </div> <div> x 9,211,030 = </div> <div> 95,183 </div> </div>	
(b) General Feas Studies & Software Depreciation Allocation: <div style="display: flex; justify-content: space-between;"> <div> <u>Spec Assigned Direct Feas Stu & Software Depn Exp</u> Total Direct Depreciation Expense </div> <div> x Total Feas Studies & Software Depreciation </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>724,468</u> 18,033,263 </div> <div> x 528,577 = </div> <div> 21,235 </div> </div>	116,419
Total Specifically Assigned General Depreciation	116,419
Customer Share of General Depreciation Expense: <div style="display: flex; justify-content: space-between;"> <div> <u>Customer Direct O&M Expense</u> Specifically Assigned Direct O&M Expense </div> <div> x Total Spec. Assigned General Depreciation Exp </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>314,600</u> 414,948 </div> <div> x 116,419 = </div> <div> 88,265 </div> </div>	88,265
Total Depreciation Expense	727,761

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2004 Test Year (May 2003 Application w/ Revised Specifically Assigned Calculations)
Newfoundland Power

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

11,877,430
1,276,638,287

x 515,443 = 4,796

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

9,320,850
11,220,639

x 4,796 = 3,984

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

12,818,316
1,386,425,990

x 98,909,681 = 914,478

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

9,320,850
11,220,639

x 914,478 = 759,646

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

12,818,316
1,221,787,398

x 15,958,071 = 167,423

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

9,320,850
11,220,639

x 167,423 = 139,076