

1 Q. Regarding CA-35 please provide all data and assumptions to calculate the
2 Granite Canal anticipated Annual Cost (\$/MW.h) for each year 2004-2007
3 including generation, net book value, any additional capital investment, costs
4 of depreciation, return, O&M, etc.

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7 A. The data and assumptions used in Hydro's planning analyses to calculate
8 the estimated annual costs of Granite Canal as provided in the response to
9 CA-35 NLH are summarized below. Note that these assumptions are applied
10 to the project as a whole to arrive at an estimated annual cost. Actual costs
11 derived through the cost of service will differ:

Capital Cost:	\$134,550,000
Depreciation Period:	60 Years
Depreciation Method:	Sinking Fund
Weighted Average Cost of Capital	8.44%
Fixed O&M (estimated)	\$14.24/kW (2003\$)
Average Annual Energy:	224 GWh

IC-375 NLH
2003 NLH General Rate Application

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1 The application of these assumptions results in the following anticipated
2 annual costs:

Year	Book Value \$,000	Capital Carrying Charge Financing			O&M Cost \$,000	Estimated Annual Costs	
		Depreciation \$,000	Cost \$,000	Total \$,000		\$,000	\$/MWh
2004	134,550	89	11,356	11,445	577	12,022	53.7
2005	134,461	96	11,349	11,445	587	12,032	53.7
2006	134,365	104	11,340	11,445	598	12,042	53.8
2007	134,261	113	11,332	11,445	608	12,053	53.8