

1 Q. Provide a detailed explanation for the decreases referred to in Lines 24-27 in
2 the evidence of Sam Banfield dated October 31, 2003. In your answer please
3 provide detailed information as to the decreases in Labrador West and
4 Happy Valley — Goose Bay areas respectively.

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7 A. The combined impact of two changes outlined in the evidence of Mr. Sam
8 Banfield dated October 31, 2003 resulted in an increase to the revenue
9 requirement of \$584,975 from the August 12, 2003 filing. This increase
10 combined with other changes resulted in a net increase for Rural Labrador
11 Interconnected customers of \$424,116. The difference of \$160,859 is
12 detailed below.

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\$ 000

Operating, Maintenance & Admin.	33
Power Purchases	38
Depreciation	18
Return on Debt	(111)
Cost of Service Allocation to Labrador Industrial	(43)
Deficit Allocation	(104)
Other	8
	<u>(161)</u>