

- 1 Q. Reconcile the variance of specifically assigned cost to Newfoundland Power
2 from Schedule G, page 44, line 1 of the 2002 forecast cost of service revised
3 August 2002 filed pursuant to P.U. 7 & P.U. 16 (2002-03) with the 2004
4 forecast cost of service page 38 line 1 (Cost of Service evidence, Exhibit
5 RDG-1).
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7
8 A. Please refer to the attached reconciliation.

**Newfoundland and Labrador Hydro
Reconciliation of Asset Costs Specifically Assigned to NF Power
2002 Final Test Year vs. 2004 Forecast Test Year (Exhibit RDG-1)**

| | 2004 Year End | Average Cost 2004 |
|--|------------------|-------------------------|
| Transmission Lines: | | |
| 1 Average Original Cost, 2002 Final Test Year COS | | |
| 2 Sch 3.3A, p. 44, c. 3, l. 1 | | 3,353,033 |
| 3 TL214: P01398 Capital Budget Proposal, net of retirements | 2,859,802 | 1,429,901 |
| 4 TL215: P00988 Capital Budget Proposal, Replacement of Poles, | | |
| 5 increase due to full year in service in 2004, net of retirements | 93,032 | 46,516 |
| 6 TL215: P01190 Capital Budget Proposal, Replacement of Poles, | | |
| 7 difference in forecast and actual, net of retirements | -30,286 | -30,286 |
| 8 | | <u><u>4,799,164</u></u> |
| 9 Average Original Cost, 2004 Test Year COS, Exhibit RDG-1 | | |
| 10 Sch 3.3A, p. 38, c. 3, l. 1 | | 4,839,976 |
| 11 Less asset incorrectly coded to NF Power | -40,811 | -40,811 ⁽¹⁾ |
| 12 Revised Amount | | <u><u>4,799,165</u></u> |
| Terminal Stations: | | |
| 13 Average Original Cost, 2002 Final Test Year COS | | |
| 14 Sch 3.3A, p. 44, c. 4, l. 1 | | 9,572,391 |
| 15 Boyds Cove and Sunnyside: Metering corrections to 2002 asset coding | 108 | 108 |
| 16 Hardwoods: 2002 Capital Proposal, incorrectly coded to NF Power | -71,000 | -71,000 |
| 17 Linton Lake: Retirement of 3 current transformers | -33,030 | -33,030 |
| 18 Linton Lake: Replacement current transformers | | 34,991 |
| 19 | | <u><u>9,503,460</u></u> |
| 20 Average Original Cost, 2004 Test Year COS, Exhibit RDG-1 | | |
| 21 Sch 3.3A, p. 38, c. 4, l. 1 | | 9,447,648 |
| 22 Linton Lake: Replacement current transformers, originally coded as Common | | 34,991 ⁽¹⁾ |
| 23 Western Avalon: Control panel incorrectly retired | 41,642 | 20,821 ⁽¹⁾ |
| 24 Revised Amount | | <u><u>9,503,460</u></u> |

Notes:

(1) The corrected assignments will be incorporated in the Final 2004 Test Year COS.