

1 Q. Provide details of the impact on Hydro's 2004 test year cost of the relocation
2 of the residents of Petites expected to occur in October 2003.

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5 A. The forecast annual direct operating cost for the Petites isolated diesel
6 system for 2004 is approximately \$165,000. In addition to this amount, there
7 would be a reduction of approximately \$49,000 in interest and depreciation
8 expense. The estimated annual revenue for 2004 is \$16,950. Therefore the
9 estimated impact on the 2004 test year is a reduction of approximately
10 \$197,050 in the total isolated rural deficit.