

1    Q.    Please provide all studies, documents, data, calculations and workpapers  
2            used developing the customer allocation factors referenced on page 10 and  
3            shown on Schedule 3.1 (A, B, C, D & E) of Exhibit RDG-1.

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6    A.    Customer quantities used in the Cost of Service are based on the average  
7            number of customers included in the load forecast. For distribution services  
8            and meter allocations, customers are weighted by class based on the relative  
9            costs of meters, to more closely reflect cost causality. Please see attached  
10          for calculations.

Newfoundland and Labrador Hydro  
2004 Forecast Cost of Service  
Customer Allocation Factors

Line No.	Class	Island Interconnected	Island Isolated	Labrador Isolated	L'Anse au Loup	Labrador Interconnected	Source
<b>Rural Customers - Schedule 3.1 A, B, C, D, E</b>							
1	CFB - Goose Bay Secondary					1	Load Forecast
2	1.1 Domestic	12,337			742	712	Rural load forecast average customers
3	1.1A Domestic All Electric					7,143	Rural load forecast average customers
4	1.12 Domestic All Electric	6,817			19		Rural load forecast average customers
5	1.2 Domestic Diesel		829	2,141			Rural load forecast average customers
6	1.3 Special	2					Rural load forecast average customers
7	2.1 GS 0-10 kW	1,922	121	389	137	399	Rural load forecast average customers
8	2.2 GS 10-100 kW	876	18	102	63	609	Rural load forecast average customers
9	2.3 GS 110-1,000 kVa	75	3	8	2	122	Rural load forecast average customers
10	2.4 GS Over 1,000 kVa	6		1		6	Rural load forecast average customers
11	4.1 Street and Area Lighting	861	38	76	30	277	Rural load forecast average customers
12	<b>Total</b>	<b>22,896</b>	<b>1,009</b>	<b>2,717</b>	<b>993</b>	<b>9,269</b>	
<b>Weighted Rural Customers - Schedule 3.1 A, B, C, D, E</b>							
13	CFB - Goose Bay Secondary					-	No distribution meter costs applicable
14	1.1 Domestic	12,337			742	712	Schedule of Customers and weighted customers, pg 3-5
15	1.1A Domestic All Electric					7,143	Schedule of Customers and weighted customers, pg 3-5
16	1.12 Domestic All Electric	6,817			19		Schedule of Customers and weighted customers, pg 3-5
17	1.2 Domestic Diesel		829	2,141			Schedule of Customers and weighted customers, pg 3-5
18	1.3 Special	2					Schedule of Customers and weighted customers, pg 3-5
19	2.1 GS 0-10 kW	3,844	242	778	274	798	Schedule of Customers and weighted customers, pg 3-5
20	2.2 GS 10-100 kW	7,071	145	823	509	4,917	Schedule of Customers and weighted customers, pg 3-5
21	2.3 GS 110-1,000 kVa	643	26	69	17	1,044	Schedule of Customers and weighted customers, pg 3-5
22	2.4 GS Over 1,000 kVa	51		9		51	Schedule of Customers and weighted customers, pg 3-5
23	4.1 Street and Area Lighting	-	-	-	-	-	Schedule of Customers and weighted customers, pg 3-5
24	<b>Total</b>	<b>30,765</b>	<b>1,242</b>	<b>3,819</b>	<b>1,561</b>	<b>14,666</b>	

NEWFOUNDLAND & LABRADOR HYDRO  
2004 Forecast Cost of Service  
Island Interconnected  
Schedule of Customers and Weighted Customers

Line No.	1	2 Average Customers Load Forecast	3 Weights	4 Services	5 Weighted Customers Meters	6 Source
	<b>Island Interconnected</b>					
1	Newfoundland Power	1				
2	Industrial	4				
	<b>Rural</b>					
3	1.1 Domestic	12,337	1.0000	12,337	12,337	Weighting Factor from Page 5, Line 13
4	1.12 Domestic All Electric	6,817	1.0000	6,817	6,817	Weighting Factor from Page 5, Line 13
5	1.3 Special	2	1.0000	2	2	Weighting Factor from Page 5, Line 13
1	2.1 General Service 0-10 kW	1,922	2.0000	3,844	3,844	Weighting Factor from Page 5, Line 16
7	2.2 General Service 10-100 kW	876	8.0714	7,071	7,071	Weighting Factor from Page 5, Line 19
8	2.3 General Service 110-1,000 kVa	75	8.5714	643	643	Weighting Factor from Page 5, Line 20
9	2.4 General Service Over 1,000 kVa	6	8.5714	51	51	Weighting Factor from Page 5, Line 20
10	4.1 Street and Area Lighting	861				No distribution service or meter costs applicable
11	<b>Subtotal Rural</b>	<b>22,896</b>		<b>30,765</b>	<b>30,765</b>	
12	<b>Total Island Interconnected</b>	<b>22,901</b>		<b>30,765</b>	<b>30,765</b>	
	<b>Island Isolated</b>					
13	1.2 Domestic Diesel	829	1.0000	829	829	Weighting Factor from Page 5, Line 13
14	2.1 General Service 0-10 kW	121	2.0000	242	242	Weighting Factor from Page 5, Line 16
15	2.2 General Service 10-100 kW	18	8.0714	145	145	Weighting Factor from Page 5, Line 19
16	2.3 General Service 110-1,000 kVa	3	8.5714	26	26	Weighting Factor from Page 5, Line 20
17	4.1 Street and Area Lighting	38				No distribution service or meter costs applicable
18	<b>Total Island Isolated</b>	<b>1,009</b>		<b>1,242</b>	<b>1,242</b>	

**NEWFOUNDLAND & LABRADOR HYDRO**  
**2004 Forecast Cost of Service**  
**Labrador Isolated**  
**Schedule of Customers and Weighted Customers**

Line No.	1	2 Average Customers	3 Weights	4 Services	5 Weighted Customers Meters	6 Source
	<b>Labrador Isolated</b>					
1	1.2 Domestic Diesel	2,141	1.0000	2,141	2,141	Weighting Factor from Page 5, Line 13
2	2.1 General Service 0-10 kW	389	2.0000	778	778	Weighting Factor from Page 5, Line 16
3	2.2 General Service 10-100 kW	102	8.0714	823	823	Weighting Factor from Page 5, Line 19
4	2.3 General Service 110-1,000 kVa	8	8.5714	69	69	Weighting Factor from Page 5, Line 20
5	2.4 GS Over 1,000 kVa	1	8.5714	9	9	Weighting Factor from Page 5, Line 20
6	4.1 Street and Area Lighting	76		-	-	No distribution service or meter costs applicable
7	4.1G Government Street and Area Lighting	-				
8	<b>Total Labrador Isolated</b>	<b>2,717</b>		<b>3,819</b>	<b>3,819</b>	
	<b>L'Anse Au Loup</b>					
9	1.1 Domestic	742	1.0000	742	742	Weighting Factor from Page 5, Line 13
10	1.12 Domestic All Electric	19	1.0000	19	19	Weighting Factor from Page 5, Line 13
11	2.1 General Service 0-10 kW	137	2.0000	274	274	Weighting Factor from Page 5, Line 16
12	2.2 General Service 10-100 kW	63	8.0714	509	509	Weighting Factor from Page 5, Line 19
13	2.3 General Service 110-1,000 kVa	2	8.5714	17	17	Weighting Factor from Page 5, Line 20
14	4.1 Street and Area Lighting	30				No distribution service or meter costs applicable
15	<b>Total L'Anse au Loup</b>	<b>993</b>		<b>1,561</b>	<b>1,561</b>	

NEWFOUNDLAND & LABRADOR HYDRO  
2004 Forecast Cost of Service  
Labrador Interconnected  
Schedule of Customers and Weighted Customers

Line No.	1	2 Average Customers	3 Weights	4 Weighted Customers Services	5 Meters	6 Source
	<b>Labrador Interconnected</b>					
1	CFB - Goose Bay Secondary	1				
2	IOCC Firm	1				
3	IOCC Non-Firm	-				
4	1.1 Domestic	712	1.0000	712	712	Weighting Factor from Page 5, Line 13
5	1.1A Domestic All Electric	7,143	1.0000	7,143	7,143	Weighting Factor from Page 5, Line 13
6	2.1 General Service 0-10 kW	399	2.0000	798	798	Weighting Factor from Page 5, Line 16
7	2.2 General Service 10-100 kW	609	8.0714	4,917	4,917	Weighting Factor from Page 5, Line 19
8	2.3 General Service 110-1,000 kVa	122	8.5714	1,044	1,044	Weighting Factor from Page 5, Line 20
9	2.4 General Service Over 1,000 kVa	6	8.5714	51	51	Weighting Factor from Page 5, Line 20
10	4.1 Street and Area Lighting	277				No distribution service or meter costs applicable
11	<b>Subtotal Rural</b>	<b>9,268</b>		<b>14,666</b>	<b>14,666</b>	
12	<b>Total Labrador Interconnected</b>	<b>9,270</b>		<b>14,666</b>	<b>14,666</b>	

	1	2 Weight	3 Customers %	4 Average cost	5	6 Source
<b>Weighting factors for meters &amp; services</b>						
13 <b>Domestic</b>		<b>1.0000</b>	100%	\$ 70.00	Residential Meter - base	
<b>GS (0 -10 kW)</b>						
14 Customers with domestic meters		0.7500	75%	\$ 70.00	Residential Meter - base	Col 2 = Col 3 x (Col 4/Col 4, Line 13)
15 Customers with GS 0-10 kW meters		1.2500	25%	\$ 350.00	GS (0 -10 kW) Meter	Col 2 = Col 3 x (Col 4/Col 4, Line 13)
16 <b>Weighting Factor</b>		<b>2.0000</b>				
<b>GS (10 -100 kW)</b>						
17 Customers with GS 0-10 kW meters		0.3571	10%	\$ 250.00	GS (10 -100 kW) Meter	Col 2 = Col 3 x (Col 4/Col 4, Line 13)
18 Customers with GS 10-100 kW meters		7.7143	90%	\$ 600.00	GS (over 100 kW) Meter	Col 2 = Col 3 x (Col 4/Col 4, Line 13)
19 <b>Weighting Factor</b>		<b>8.0714</b>				
20 <b>GS (over 100 kW)</b>		<b>8.5714</b>	100%	\$ 600.00	GS (over 100 kW) Meter	Col 2 = Col 3 x (Col 4/Col 4, Line 13)