

1     Q.     Please provide the basis and all studies, documents, data, calculations and  
2           workpapers pertaining to the calculated values shown on Table 6 on page 17  
3           of Mr. Banfield's Evidence, "Target Cost Recoveries, Labrador  
4           Interconnected System."

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6

7     A.     See attached.

**Newfoundland and Labrador Hydro**  
**Labrador Rate Targets and Increases (Decreases)**

|                              | <u>Current (1)</u> | <u>Target Recovery</u> | <u>Total Required Increase</u> | <u>Annual Target Increase Decrease(2)</u> | <u>2004</u> | <u>Target Recovery Levels</u> |             |             |             |
|------------------------------|--------------------|------------------------|--------------------------------|---|-------------|-------------------------------|-------------|-------------|-------------|
|                              |                    |                        |                                |   |             | <u>2005</u>                   | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Happy Valley Goose Bay       |                    |                        |                                |   |             |                               |             |             |             |
| Domestic                     | 100%               | 100%                   | 0%                             |   |             |                               |             |             |             |
| General Service 2.1          | 63%                | 100%                   | 59%                            | 20%                                       | 76%         | 91%                           | 100%        |             |             |
| General Service 2.2          | 120%               | 100%                   | -17%                           | -8%                                       | 120%        | 110%                          | 100%        |             |             |
| General Service 2.3          | 136%               | 100%                   | -26%                           | -14%                                      | 136%        | 117%                          | 100%        |             |             |
| General Service 2.4          | 133%               | 100%                   | -25%                           | -13%                                      | 133%        | 116%                          | 100%        |             |             |
| Street and Area Lighting (3) | 91%                | 100%                   | 10%                            | 10%                                       | 100%        | 100%                          |             |             |             |
| Labrador West                |                    |                        |                                |   |             |                               |             |             |             |
| Domestic                     | 41%                | 100%                   | 144%                           | 20%                                       | 49%         | 59%                           | 71%         | 85%         | 100%        |
| General Service 2.1          | 47%                | 100%                   | 113%                           | 20%                                       | 56%         | 67%                           | 80%         | 96%         | 100%        |
| General Service 2.2          | 74%                | 100%                   | 35%                            | 20%                                       | 89%         | 100%                          |             |             |             |
| General Service 2.3          | 77%                | 100%                   | 30%                            | 20%                                       | 92%         | 100%                          |             |             |             |
| General Service 2.4          | 82%                | 100%                   | 22%                            | 20%                                       | 98%         | 100%                          |             |             |             |
| Street and Area Lighting (3) | 49%                | 100%                   | 104%                           | 13%                                       | 60%         | 69%                           | 79%         | 90%         | 100%        |

Notes:

(1) Current recovery levels were calculated based on the following:

|      | <u>Current Rate</u> | <u>Target Rate</u> | <u>Current Recovery</u> |
|------|---------------------|--------------------|-------------------------|
|      | \$/kWh              | \$/kWh             |                         |
| EAST |                     |                    |                         |
| 1.1  | 0.03522             | 0.03509            | 100%                    |
| 2.1  | 0.04269             | 0.0676             | 63%                     |
| 2.2  | 0.0366              | 0.03051            | 120%                    |
| 2.3  | 0.03525             | 0.02594            | 136%                    |
| 2.4  | 0.02777             | 0.02087            | 133%                    |
| AL   | 0.14971             | 0.16362            | 91%                     |
| WEST |                     |                    |                         |
| 1.1  | 0.01448             | 0.03509            | 41%                     |
| 2.1  | 0.03153             | 0.0676             | 47%                     |
| 2.2  | 0.02263             | 0.03051            | 74%                     |
| 2.3  | 0.02009             | 0.02594            | 77%                     |
| 2.4  | 0.01716             | 0.02087            | 82%                     |
| AL   | 0.07952             | 0.16362            | 49%                     |

Current Rate calculations are further shown in the response to CA-71 NLH.

Target Rate calculations are further shown in the response to PUB-35 NLH.

(2) Annual Increase / Decrease Target was derived and applied by calculator.

(3) Street and area lighting percentages have been corrected to reflect the May 2003 rates filing. Rate schedules are as filed.