AN APPLICATION TO THE
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

2006 GENERAL RATE APPLICATION

PROPOSED POWER RATES

To be charged by

Newfoundland and Labrador Hydro

to

Newfoundland Power,

Island Industrial Customers and

Rural Customers

August 2006

Newfoundland and Labrador Hydro
2006 General Rate Application

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Exhibits

IN THE MATTER OF the Public Utilities Act, R.S.N. 1990, Chapter P-47 (the "Act"), and

IN THE MATTER OF of a General Rate Application (the "Application") by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

TO: The Board of Commissioners of Public Utilities (the "Board")

THE APPLICATION of Newfoundland and Labrador Hydro (the "Applicant") states that:

1. Newfoundland and Labrador Hydro ("Hydro") is a corporation continued and existing under the *Hydro Corporation Act*, is a public utility within the meaning of the Act and is subject to the provisions of the *Electrical Power Control Act, 1994*.

2. By Order No P.U. 14 (2004) the Board made determinations relative to Hydro's 2004 test year total revenue requirement and approved a methodology for establishing a fair and reasonable return on equity for Hydro.

3. By Order No. P.U. 17 (2004) the Board approved the forecast average rate base for 2004 at $1,483,506,000, allowed a rate of return on rate base (based on the 2004 test year) of 7.466% and approved the Schedule of Rates currently charged by Hydro to its customers.

4. By Orders No. P.U 4 (2005), P.U. 17 (2005), P.U. 2 (2006) and P.U. 20 (2006), the Board approved changes to the energy rates charged by Hydro to its customers pursuant to the Rate Stabilization Plan.

5. By Orders No. P.U. 7(2002-2003) and P.U. 37 (2005) the Board approved the phase in of uniform rates charged to Labrador Interconnected customers and by Order No. P.U. 14 (2004) the Board approved the phase out of lifeline blocks for General Service Diesel System customers.

6. The Applicant makes Application under the Act, and specifically under sections 64, 68, 70, 71, 75, 78 and 80 and proposes:

   (1) Hydro's forecast 2007 test year costs (before return on rate base) of $329,608,000;

   (2) forecast average rate base for 2007 of $1,491,183,000;

   (3) that the methodology approved by the Board for calculating the allowed rate of return on equity (for purposes of determining weighted average cost of capital) in Order No. P.U. 14 (2004) be continued;

   (4) that (consistent with this methodology) Hydro be allowed a rate of return on equity of 5.20% (or such other rate as results from the application of the long-term marginal cost of new debt to Hydro in the methodology referred to above, at the conclusion of the hearing);

   (5) that (consistent with this methodology) Hydro be allowed a rate of return on forecast average rate base of 7.63% (or such other rate as results from the application of the long-term marginal cost of

new debt to Hydro in the methodology referred to above, at the conclusion of the hearing);

(6) that effective January 1, 2007, the Board approve

(a) that the demand and energy rates charged to Newfoundland Power be increased to $7.49 per kW per month, with a first block energy rate of 19.17 mills per kWh and an end block energy rate of 89.07 mills per kW;

(b) that the total generation credit for Newfoundland Power be reduced to 117,930 kW ;

(c) that the Rate Stabilization Plan Adjustment rate charged to Newfoundland Power be decreased to 6.78 mills per kWh, with the fuel rider set to zero;

(d) that the rate charged to Newfoundland Power for firming up secondary energy purchased from Corner Brook Pulp and Paper Limited and re-sold to Newfoundland Power as firm energy be increased to 8.19 mills per kWh;

(e) that the rates charged to Industrial Customers for firm service be increased to a demand charge of $6.72 per kW per month, an energy charge of 38.11 mills per kWh and the respective annual specifically assigned charges;

(f) that the rates charged to Industrial Customers for non-firm service continue to be calculated in the manner set out in Order No. P.U. 7 (2002), with the average system losses

decreased to 2.68%, as stated on page 6 of the Rates Schedules attached to this Application;

(g) that the rate for wheeling energy for non-utility customers remain at 3.93 mills per kWh and that the average system losses be decreased to 2.68%;

(h) that the rates for Isolated Rural General Service Customers, excluding Government departments, be increased by the average change (forecast to be 17.2%) in base rates that has occurred since rates were flowed through and approved for Newfoundland Power to charge its customers following Hydro's last general rate application;

(i) that the policy outlined in Order No. P.U. 7 (2002-2003) of charging rates based on full cost recovery for Government departments and agencies, excluding hospitals and schools, in Isolated Rural Systems, be continued;

(j) that the rates for Labrador Interconnected Customers be based on a uniform rate structure, as approved in Order No. P.U. 7 (2002-2003) and confirmed in Order No. P.U. 14 (2004), and that the phasing in of that uniform rate structure over a five-year period continue as outlined in the Rates Evidence filed with this Application;

(k) that the Rules and Regulations which govern the provision of service to Rural Customers be confirmed with the exceptions that:

a) the rate for the Burgeo school and Library be deleted; and

b) the proposed clarifying footnote to section 16, Policies for Automatic Rate Changes, be added;

(l) that the Automatic Adjustment Mechanism proposed by Hydro filed herewith in Exhibit MGB-2 in response to the Board's direction in Order No. P.U. 14 (2004) be approved;

(m) that the Rate Stabilization Plan be amended to reflect the impact of changes that may arise from time to time from the operation of the proposed Automatic Adjustment Mechanism, as set out in the Rate Schedules 2007, p. 10 of 53, attached to this Application;

(n) that the Rate Stabilization Plan be amended to provide that, for Newfoundland Power, the revenue collected from secondary sales to CFB Goose Bay, less the cost of those sales, be included as a component of the Rate Stabilization Plan as set out in the Rates Schedules 2007, p. 11 of 53, attached to this Application;

(o) that the straight line and equal life group depreciation methodology set out in the Gannett Fleming Inc. Depreciation Study, filed by Hydro on December 22, 2005, be approved in principle with implementation of the methodology deferred;

(p) that Hydro continue to use regulated equity in the calculation of Hydro's capital structure; and

(q) that the changes to the Rate Stabilization Plan proposed in the report filed by Hydro on June 30, 2006, the Review of the Operation of the Rate Stabilization Plan, be approved.

7. The Applicant requests that the Board make an Order as follows:

(1) pursuant to section 80 of the Act, approving 2007 forecast test year costs (before return on rate base) of $329,608,000;

(2) pursuant to section 78 of the Act, approving the 2007 forecast average rate base of the Applicant at $1,491,183,000;

(3) pursuant to sections 70 and 71 of the Act, determining a just and reasonable rate of return for 2007 on average Rate Base of 7.63% (or such other rate as results from the application of the long-term marginal cost of new debt to Hydro in the methodology referred to in Order No. P.U. 14 (2004), at the conclusion of the hearing);

(4) pursuant to Section 70 of the Act, approving as of January 1, 2007, the demand and energy rates charged to Newfoundland Power to be $7.49 per kW per month, with a first block energy rate of 19.17 mills per kWh and an end block energy rate of 89.07 mills per kWh as set out in the Rates Schedules 2007, p. 3 of 53, attached to this Application;

(5) pursuant to section 70 of the Act, that the total generation credit for Newfoundland Power be reduced to 117,930 kW ;

(6) pursuant to Section 70 of the Act, approving as of January 1, 2007, the firming up charge of 8.19 mills per kWh for secondary energy supplied by Corner Brook Pulp and Paper Limited to the Applicant

and delivered as firm power and energy to Newfoundland Power as set out in the Rates Schedules 2007, p. 3 of 53, attached to this Application;

(7) pursuant to Section 70 of the Act, approving as of January 1, 2007, rates to be charged to Industrial Customers for firm service consisting of a demand charge of $6.72 per kW per month, an energy charge of 38.11 mills per kWh plus the respective annual specifically assigned charges (set out below), all as set out in the Rate Schedules 2007, p. 5 of 53, attached to this Application:

Abitibi-Consolidated Company of Canada - Grand Falls	$ 1,282
Abitibi-Consolidated Company of Canada - Stephenville	107,246
Corner Brook Pulp and Paper Limited	357,653
North Atlantic Refining Limited	154,282
Aur Resources Inc.	166,674

(8) pursuant to Section 70 of the Act, approving as of January 1, 2007, the rate for non-firm service to Industrial Customers as set out in the Rates Schedules 2007, p. 6 of 53, attached to this Application;

(9) pursuant to Section 70 of the Act, approving as of January 1, 2007, the rate of 3.93 mills per kWh as a wheeling fee to be charged no-utility customers, and that the average system losses be decreased to 2.68%, as set out in the Rates Schedules 2007, p. 7 of 53, attached to this Application;

(10) pursuant to section 71 of the Act, approving as of January 1, 2007, the Rules and Regulations applicable to providing service to Rural

Customers as set out in Rate Schedules 2007 pp.17 to 31 attached to this Application;

(11) pursuant to sections 70 and 71 of the Act, approving as of January 1, 2007, that the changes to the Rate Stabilization Plan proposed in the report filed by Hydro on June 30, 2006, the Review of the Operation of the Rate Stabilization Plan;

(12) pursuant to section 68 of the Act, approving the straight line and equal life group depreciation methodology set out in the Gannett Fleming Inc. Depreciation Study, filed by Hydro on December 22, 2005; and

(13) Granting such alternative, additional or further relief as the Board shall consider fit and proper in the circumstances.

DATED AT St. John's in the Province of Newfoundland and Labrador this 3rd day of August 2006.

NEWFOUNDLAND AND LABRADOR HYDRO

for

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IN THE MATTER OF the Public Utilities Act, R.S.N. 1990, Chapter P-47 (the "Act"), and

IN THE MATTER OF of a General Rate Application (the "Application") by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

TO: The Board of Commissioners of Public Utilities

AFFIDAVIT

I, James R. Haynes, Professional Engineer, of St. John's, in the Province of Newfoundland and Labrador, make oath and swear as follows:

1. THAT I am employed by Newfoundland and Labrador Hydro, the Applicant herein, in the capacity of Vice-President, Production, and as such I have knowledge of the matters and things to which I have herein deposed, and make this affidavit in support of the Application.

2. THAT I have read the contents of the Application and they are correct and true to the best of my knowledge, information and belief.

SWORN TO BEFORE ME in the City of St. John's, in the Province of Newfoundland and Labrador, this 3rd day of August 2006.

Barrister - Newfoundland and Labrador

James R. Haynes

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY

Availability:

This rate is applicable to service to Newfoundland Power (NP).

Definitions:

"Billing Demand"

In the Months of January through March, billing demand shall be the greater of:

(a) the highest Native Load less the Generation Credit, beginning in the previous December and ending in the current Month; and
(b) the Minimum Billing Demand.

In the Months of April through December, billing demand shall be the greater of:

(a) the Weather-Adjusted Native Load less the Generation Credit, plus the Weather Adjustment True-up; and
(b) the Minimum Billing Demand.

"Generation Credit" refers to NP's net generation capacity less allowance for system reserve, as follows:

	kW
Hydraulic Generation Credit	80,104
Thermal Generation Credit	37,826
Total Generation Credit	117,930

In order to continue to avail of the Generation Credit, NP must demonstrate the capability to operate its generation to the level of the Generation Credit. This will be verified in a test by operating the generation at a minimum of this level for a period of one hour as measured by the generation demand metering used to determine the Native Load. The test will be carried out at a mutually agreed time between December 1 and March 31 each year. If the level is not sustained, Newfoundland Power will be provided an opportunity to repeat the test at another mutually agreed time during the same December 1 to March 31 period. If the level is not sustained in the second test, the Generation Credit will be reduced in calculating the associated billing demands for January to December to the highest level that could be sustained.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (Continued)

"Maximum Native Load" means the maximum Native Load of NP in the four-Month period beginning in December of the preceding year and ending in March of the current year.

"Minimum Billing Demand" means ninety-nine percent (99%) of:

NP's test year Native Load less the Generation Credit.

"Month" means for billing purposes, the period commencing at 12:01 hours on the last day of the previous month and ending at 12:00 hours on the last day of the month for which the bill applies.

"Native Load" is the sum of:

(a) the amount of electrical power, delivered at any time and measured in kilowatts, supplied by Hydro to NP, averaged over each consecutive period of fifteen minutes duration, commencing on the hour and ending each fifteen minute period thereafter; and

(b) the total generation by NP averaged over the same fifteen-minute periods.

"Weather-Adjusted Native Load" means the Maximum Native Load adjusted to normal weather conditions, calculated as:

Maximum Native Load
plus (Weather Adjustment, rounded to 3 decimal places, x 1000)

Weather Adjustment is further described and defined in the Weather Adjustment section.

"Weather Adjustment True-up" means one-ninth of the difference between:

(a) the greater of:
- the Weather Adjusted Native Load less the Generation Credit, times three; and
- the Minimum Billing Demand, times three; and

(b) the sum of the actual billed demands in the Months of January, February and March of the current year.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (Continued)

Monthly Rates:

Billing Demand Charge:
Billing Demand, as set out in the Definitions section, shall be charged at the following rate:

$7.49 per kW of billing demand

Energy Charge:
First 250,000,000 kilowatt-hours* ..... @ 1.917 ¢ per kWh
All excess kilowatt-hours* ..... @ 8.907 ¢ per kWh

Firming-up Charge:
Secondary energy supplied by
Corner Brook Pulp and Paper Limited* ..... @ 0.819 ¢ per kWh

RSP Adjustment:
All kilowatt-hours ..... @ 0.678 ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied to metered demand and energy.

Adjustment for Station Services and Step-Up Transformer Losses:

If the metering point is not on the generator output terminals of NP's generators, an adjustment for Newfoundland Power's power consumption between the generator output terminals and the metering point as determined in consultation with the customer prior to the implementation of the metering, shall be applied to the metered demand.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (Continued)

Weather Adjustment: This section outlines procedures and calculations related to the weather adjustment applied to NP's Maximum Native Load.

(a) Weather adjustment shall be undertaken for NP's actual Maximum Native Load.

(b) Weather adjustment shall be derived from Hydro's general NP native peak demand forecasting model.

(c) By September 30th of each year, Hydro shall provide NP with updated weather adjustment coefficient incorporating the latest year of actuals.

(d) The underlying temperature and wind speed data utilized to derive weather adjustment shall be sourced to Environment Canada's weather station data for the St. John's, Gander, and Stephenville airports. NP's regional customer counts shall be used to weight regional weather data. Hydro shall consult with NP to resolve any circumstances arising the availability of, or revisions to, Environment Canada's weather data and/or wind chill formulation.

(e) The primary definition for the temperature weather variable is the average temperature for the peak demand hour and the preceding 19 hours. The primary definition for the wind weather data is the average wind speed for the peak demand hour and the preceding seven hours. Hydro will consult with NP should data anomalies indicate a departure from the primary definition on underlying weather data.

(f) Subject to the availability of Environment Canada weather data, Hydro shall prepare a preliminary estimate of the Weather-Adjusted Native Load by March 15th of each year, and a final calculation of Weather-Adjusted Native Load by April 5th of each year.

General:

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

With respect to all matters where the customer and Hydro consult on resolution but are unable to reach mutual agreement, the billing will be based on Hydro's best estimate.

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL -FIRM

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Rate:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be $6.72 per month per kilowatt of billing demand.

Firm Energy Charge:

Base Rate* .....@ 3.811 ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

Specifically Assigned Charges:

The table below contains the additional specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
Abitibi-Consolidated (Grand Falls)	$ 1,282
Abitibi-Consolidated (Stephenville)	$ 107,246
Corner Brook Pulp and Paper Limited	$ 357,653
North Atlantic Refining Limited	$ 154,282
Aur Resources Inc.	$ 166,674

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL – NON-FIRM

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Rate:

Non-Firm Energy Charge (¢ per kWh):

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C) \times (1 \div (1 - D))\} \times 100$$

A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used

B = the conversion factor for the source used (kWh/bbl)

C = the administrative and variable operating and maintenance charge (10%)

D = the average system losses on the Island Interconnected grid for the last five years ending in 2005 (2.68%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 630 kWh/bbl
2. Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
3. Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL - WHEELING

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy and whose Industrial Service Agreement so provides.

Rate:

Energy Charge:

All kWh (Net of losses)* .....@ 0.393 ¢ per kWh

* For the purpose of this Rate, losses shall be 2.68%, the average system losses on the Island Interconnected Grid for the last five years ending in 2005.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro) is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- customer load (Utility and Island Industrial); and
- rural rates.

The formulae used to calculate the Plan's activity are outlined below. Positive values denote amounts owing from customers to Hydro whereas negative values denote amounts owing from Hydro to customers.

Section A: Hydraulic Production Variation

1. **Activity:**
   Actual monthly production is compared with the Test Year Cost of Service Study in accordance with the following formula:

   $$\{(A - B) \div C\} \times D$$

   Where:

   A = Test Year Cost of Service Net Hydraulic Production (kWh)
   B = Actual Net Hydraulic Production (kWh)
   C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
   D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)

2. **Financing:**
   Each month, financing charges, using Hydro's approved Test Year weighted average cost of capital, will be calculated on the balance.

3. **Hydraulic Variation Customer Assignment:**
   Customer assignment of hydraulic variations will be performed annually as follows:

   $$(E \times 25\%) + F$$

   Where:

   E = Hydraulic Variation Account Balance as of December 31, excluding financing charges
   F = Financing charges accumulated to December 31

   The total amount of the Hydraulic Customer Assignment shall be removed from the Hydraulic Variation Account.

4. **Customer Allocation:**
   The annual customer assignment will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the hydraulic customer assignment which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Newfoundland Power and Island Industrial customer allocations shall be included with the Newfoundland Power and Island Industrial RSP balances respectively as of December 31 each year. The Labrador Interconnected Hydraulic customer allocation shall be written off to Hydro's net income (loss).

Section B: Fuel Cost Variation, Load Variation, Rural Rate Alteration and CFB Goose Bay Credit

1. **Activity**

1.1 Fuel Cost Variations

This is based on the consumption of No. 6 Fuel at the Holyrood Generating Station:

$$(G - D) \times H$$

Where:

D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)
G = Monthly Actual Average No. 6 Fuel Cost ($Can /bbl.)
H = Monthly Actual Quantity of No. 6 Fuel consumed less No. 6 fuel consumed for non-firm sales (bbl.)

1.2 Load Variations

Firm: Firm load variation is comprised of fuel and revenue components. The load variation is determined by calculating the difference between actual monthly sales and the Test Year Cost of service Study sales, and the resulting variance in No. 6 fuel costs and sales revenues. It is calculated separately for Newfoundland Power firm sales and Industrial firm sales, in accordance with the following formula:

$$(I - J) \times \{(D \div C) - K\}$$

Where:

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)
D = Monthly Test Year Cost of Service No. 6 Fuel Cost ($Can /bbl.)
I = Actual Sales, by customer class (kWh)
J = Test Year Cost of Service Sales, by customer class (kWh)
K = Firm energy rate, by customer class

Secondary: Secondary load variation is based on the revenue variation for Utility Firmed-Up Secondary energy sales compared with the Test Year Cost of Service Study, in accordance with the following formula:

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

$$(J - I) \times L$$

Where:
I = Actual Sales (kWh)
J = Test Year Cost of Service Sales (kWh)
L = Secondary Energy Firming Up Charge

1.3 Rural Rate Alteration

(a) Newfoundland Power Rate Change Impacts:
This component is calculated for Hydro's rural customers whose rates are directly or indirectly impacted by Newfoundland Power's rate changes, with the following formula:

$$(M - N) \times O$$

Where:

M = Cost of Service rate [1]
N = Existing rate
O = Actual Units (kWh, bills, billing demand)

(b) Rural Labrador Interconnected Automatic Rate Adjustments:
This component reflects the impact of the automatic rate adjustments for Hydro's rural customers on the Labrador Interconnected system, which arise from the five-year phase-in of the application of the credit from secondary energy sales to CFB Goose Bay to the rural deficit.

Monthly adjustments will be subject to revision when a new Test Year Cost of Service is approved by the Public Utilities Board for Hydro. The amount of the automatic rate adjustment is calculated as follows:

$$P = (Q - R) \div 12$$

Where:

P = the monthly amount of the automatic rate adjustment
Q = the CFB Revenue Credit applied to the rural deficit in Hydro's Final 2007 Test Year Cost of Service
R = the CFB Revenue Credit applied to the rural deficit in 2007 and 2008, included in existing rates and outlined in the table below:

[1] Hydro's schedule of rates for its rural customers impacted by Newfoundland Power's rate changes as a result of the pass-through of Hydro's rate changes associated with the Test Year Cost of Service Study. For the purpose of this section, Test Year Cost of Service Study refers to a Test Year or a Test Year adjusted by the Automatic Adjustment Mechanism.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

	Q	R	Q – R	P
2007	$3,155,102	$3,155,102	$0	$0
2008 [2]	$3,155,102	$4,410,162	($1,255,060)	($104,588)

1.4 CFB Goose Bay Credit

Newfoundland Power Rate Change Impacts

This component is calculated based on actual secondary energy sales to Canadian Forces Base (CFB), Goose Bay. Only Newfoundland Power receives RSP credit for these sales.

Monthly adjustments commence with the implementation of rates arising from the 2007 Test Year Cost of Service Study, and will be subject to revision when a new Test Year Cost of Service is approved by the Public Utilities Board for Hydro. The amount of the monthly NP credit is calculated as follows:

AA = ((AB – (AC*AD)) * AE) * AF

Where

AA = monthly CFB credit applied to Newfoundland Power
AB = actual monthly revenue from CFB Goose Bay secondary sales
AC = test year CFB Goose Bay revenue requirement per kWh
AD = actual monthly kWh of CFB Goose Bay secondary sales
AE = test year percentage of CFB Goose Bay credit applicable to Rural Deficit
AF = Newfoundland Power's share of the Rural Deficit as allocated in the approved Test Year Cost of Service Study.

[2] Monthly adjustments will continue after 2008 until a new Test Year Cost of Service is approved by the Public Utilities Board.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

2. **Monthly Customer Allocation: Load and Fuel Activity**
   Each month, the load variation will be assigned to the customer class for which the load variation occurred.

   Each month, the year-to-date total for fuel price variation will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

   The year-to-date portion of the fuel price variation which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

   The current month's activity for Newfoundland Power, Island Industrials and regulated Labrador Interconnected customers will be calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month. The current month's activity allocated to regulated Labrador Interconnected customers will be removed from the Plan and written off to Hydro's net income (loss).

3. **Monthly Customer Allocation: Rural Rate Alteration Activity**
   Each month, the rural rate alteration will be allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study. The portion allocated to regulated Labrador Interconnected will be removed from the Plan and written off to Hydro's net income (loss).

4. **Plan Balances**
   Separate plan balances for Newfoundland Power and for the Island Industrial customer class will be maintained. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

Section C: Fuel Price Projection

A fuel price projection will be calculated to anticipate forecast fuel price changes and to determine fuel riders for the rate adjustments. For industrial customers, this will occur in October each year, for inclusion with the RSP adjustment effective January 1. For Newfoundland Power, this will occur in April each year, for inclusion with the RSP adjustment effective July 1.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

1. **Industrial Fuel Price Projection:**
In October each year, a fuel price projection for the following January to December shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(S - T) \times U\} - V] \times W$$

Where:

S = the September month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following January to December

T = Hydro's average Test Year contract discount (US $/bbl)

U = the monthly average of the $Cdn / $US Bank of Canada Noon Exchange Rate for the month of September

V = average Test Year Cost of Service purchase price for No. 6 Fuel ($Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

The industrial customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of September and is the ratio of Industrial Firm invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of an estimate of the fuel rider based on 12 months-to-date kWh sales to the end of September will be reported to industrial customers, Newfoundland Power, and the Public Utilities Board, by the 10th working day of October.

2. **Newfoundland Power Fuel Price Projection:**
In April each year, a fuel price projection for the following July to June shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[\{(X - T) \times Y\} - V] \times W$$

Where:

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

T = Hydro's average Test Year contract discount (US $/bbl)

V = average Test Year Cost of Service purchase price for No. 6 Fuel ($Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

X = the average of the March month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following July to December, and the most recent long-term PIRA Energy Group average annual forecast for No. 6 fuel prices at New York Harbour for the following January to June.

Y = the monthly average of the $Cdn / $US Bank of Canada Noon Exchange Rate for the month of March.

The Newfoundland Power customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of March and is the ratio of Newfoundland Power Firm and Firmed-Up Secondary invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of the resulting fuel rider applied to the adjustment rate will be reported to Newfoundland Power, industrial customers, and the Public Utilities Board, by the 10th working day of April.

Section D: Adjustment

1. Newfoundland Power

As of March 31 each year, Newfoundland Power's adjustment rate for the 12-month period commencing the following July 1 is determined as the rate per kWh which is projected to collect:

Newfoundland Power March 31 Balance

less projected recovery / repayment of the balance for the following three months (if any), estimated using the energy sales (kWh) for April, May and June from the previous year

plus forecast financing charges to the end of the 12-month recovery period (i.e., June in the following calendar year),

divided by the 12-months-to-date firm plus firmed-up secondary kWh sales to the end of March.

A fuel rider shall be added to the above adjustment rate, based on the Newfoundland Power Fuel Price Projection amount (as per Section C.2 above) divided by 12-months-to-date kWh sales to the end of March.

Where a new Test Year comes into effect while there is an existing fuel rider in place, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

2. Island Industrial Customers

As of December 31 each year, the adjustment rate for industrial customers for the 12-month period commencing January 1 is determined as the rate per kWh which is projected to collect:

Industrial December 31 Balance

plus forecast financing charges to the end of the following calendar year,

divided by 12-months-to-date kWh sales to the end of December.

A fuel rider shall be added to the above adjustment rate, based on the Industrial Fuel Price Projection (as per Section C.1 above) amount divided by 12-months-to-date kWh sales to the end of December.

Where a new Test Year comes into effect while there is an existing fuel rider in place, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

Section E: Historical Plan Balances:

1. **August 2002 Balance:**

Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at August 2002 will be recovered over a 5-year collection period, with adjustment rates established each December 31, commencing December 31, 2002. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year annual weighted average cost of capital.

Newfoundland Power

The adjustment rate for each year of the five-year adjustment period will be determined as follows:

$$A = (B - C + D) \div E \div F$$

where

A = adjustment rate ($ per kWh) for the 12-month period commencing the following July 1.
B = Balance December 31
C = projected recovery to the following June 30 (if any), estimated using the most recent energy sales (kWh) for the period January to June.
D = projected financing charges to the following June 30
E = number of years remaining in the adjustment period
F = energy sales (kWh) (firm and firmed-up secondary) to Newfoundland Power for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN (Continued)

Island Industrial Customers

The adjustment rate for each year of the five-year adjustment period will be determined as follows:

$$G = H \div I \div J$$

where

G = adjustment rate ($ per kWh) for the 12-month period commencing the following January 1.
H = Balance December 31
I = number of years remaining in the adjustment period
J = firm energy sales (kWh) to Industrial Customers for the most recent 12 months ended December 31

Recovery and financing will be applied to the balance each month. At the end of the five-year recovery period, any remaining balance will be added to the plan then in effect.

2. RSP Balance, December 31, 2003:

Newfoundland Power and Island Industrial customer balances accumulated in the Plan as at December 31, 2003 will be consolidated with the outstanding August 2002 customer balances as of December 31, 2003, and will be included with the Newfoundland Power and Island Industrial customer balances respectively for rate-setting purposes as of December 31, 2003.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS

APPLICABILITY:

These general Rules and Regulations apply to all Hydro Rural Customers.

1. INTERPRETATION:

(a) In these Rates and Rules the following definitions shall apply:

(i) "***Act***" means The Public Utilities Act, R.S.N. 1990, c.P-47 as amended from time to time.

(ii) "***Applicant***" means any person who applies for Service.

(iii) ***"Board"*** means the Board of Commissioners of Public Utilities of Newfoundland.

(iv) "***Hydro***" means Newfoundland and Labrador Hydro.

(v) "***Hydro rural customers***" means regulated customers served by Hydro other than industrial customers and Newfoundland Power.

(vi) "***Customer***" means any person who accepts or agrees to accept Service.

(vii) "***Disconnected***" or "***Disconnect***" in reference to a Service means the physical interruption of the supply of electricity thereto.

(viii) "***Discontinued***" or "***Discontinue***" in reference to a Service means to terminate the Customer's on-going responsibility with respect to the Service.

(ix) "***Domestic Unit***" means a house, apartment or other similar residential unit which is normally occupied by one family, or by a family and no more than four other persons who are not members of that family, or which is normally occupied by no more than six unrelated persons.

(x) ***"Service"*** means any service(s) provided by Hydro pursuant to these Regulations.

(xi) "***Serviced premises***" means the premises at which Service is delivered to the Customer.

(xii) ***"Government Departments"*** means electric service accounts of Provincial or Federal government departments, agencies, boards, commissions, and crown corporations but excludes hospitals, fish plants, churches, schools, community halls, municipal buildings and like facilities.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

(b) Unless the context requires otherwise these Rates and Rules shall be interpreted such that:

(i) words imparting male persons include female persons and corporations.

(ii) words imparting the singular include the plural and vice versa.

2. CLASSES OF SERVICE:

(a) Hydro shall provide the following classes of Service:

ISLAND INTERCONNECTED AREA

1.1	Domestic
2.1	General Service, 0-10 kW
2.2	General Service, 10-100 kW (110 kVA)
2.3	General Service, 110 kVA (100 kW) - 1000 kVA
2.4	General Service, 1000 kVA and Over
4.1	Street and Area Lighting Service

ISLAND AND LABRADOR DIESEL AREA

1.2D	Domestic Diesel - Non-Government
2.1D	General Service Diesel - Non-Government, 0-10 kW
2.2D	General Service Diesel - Non-Government, 10 kW and Over
4.1D	Street and Area Lighting Service Diesel - Non-Government
1.2G	Domestic Diesel - Government Departments
2.1G	General Service Diesel - Government Departments, 0-10kW
2.2G	General Service Diesel - Government Departments, 10kW and Over
4.1G	Street and Area Lighting Service Diesel - Government Departments

HAPPY VALLEY-GOOSE BAY INTERCONNECTED AREA

1.1H	Domestic
2.1H	General Service, 0-10 kW
2.2H	General Service, 10-100 kW (110 kVA)
2.3H	General Service, 110 kVA (100 kW) - 1000 kVA
2.4H	General Service, 1000 kVA and Over
4.1H	Street and Area Lighting Service
5.1H	Secondary Energy

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

LABRADOR CITY / WABUSH INTERCONNECTED AREA

1.1W	Domestic
2.1W	General Service, 0-10 kW
2.2W	General Service, 10-100 kW (110 kVA)
2.3W	General Service, 110 kVA (100 kW) - 1000 kVA
2.4W	General Service, 1000 kVA and Over
4.1W	Street and Area Lighting Service
4.11W	Street and Area Lighting Service Labrador City - Installed as of Sept. 1, 2002
4.12W	Street and Area Lighting Service Labrador City – Customer Owned

(b) The terms and conditions relating to each class of Service shall be those approved by the Board from time to time.

(c) Service, other than Street and Area Lighting Service, shall be metered except where the energy consumption is relatively low and constant and in the opinion of Hydro can be readily determined without metering.

(d) The Customer shall use the Service on the Serviced Premises only. The Customer shall not resell the Service in whole or in part except that the Customer may include the cost of Service in charges for the lease of space or as part of the cost of other services provided by the Customer.

3. APPLICATION FOR SERVICE:

(a) An Applicant, when required by Hydro, shall complete a written Electrical Service Contract.

(b) An application for Service, when accepted by Hydro, constitutes a binding contract between the Applicant and Hydro which cannot be assigned.

(c) The person who signs an application for Service shall be personally liable for Service provided pursuant thereto, unless that person has authority to act for another Person denoted as the Applicant on the application for Service.

(d) Hydro may in its discretion refuse to provide Service to an Applicant where:

(i) the Applicant fails or refuses to complete an application for Service.

(ii) the Applicant provides false or misleading information on the application for Service.

(iii) the Applicant or the Owner or an Occupant of the Serviced Premises has a bill for any Service which is not paid in full 30 days or more after issuance.

(iv) the Applicant fails to provide the security or guarantee required under Regulation 4.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

(v) the Applicant is not the owner or an occupant of the Serviced Premises.

(vi) the Service requested is already supplied to the Serviced Premises for another Customer who does not consent to having his Service Discontinued.

(vii) the Applicant does not pay a charge described in Regulation 9 (b),(c) or (d).

(viii) the Applicant otherwise fails to comply with these Regulations.

(e) A Customer who has not completed an application for Service shall do so within 5 days of a request having been made by Hydro in writing.

4. SECURITY FOR PAYMENT:

(a) An Applicant or a Customer shall give such reasonable security for the payment of charges as may be required by Hydro. When the Customer has established two consecutive years of good credit history, the security deposit will be refunded with simple interest calculated at a Rate equivalent to the Rate paid from time to time by the chartered banks on over-the-counter withdrawal savings accounts.

(b) Hydro may in its discretion require special guarantees from an Applicant or Customer whose location or load characteristics would require abnormal investment in facilities or who requires Service of a special nature.

5. SERVICE STANDARDS - METERED SERVICES:

(a) Service shall normally be provided at one of the following nominal standard secondary voltages depending upon the requirements of the load to be served and the availability of a three phase supply:

Single phase, 3-Wire	-	120/240 volts
Three phase, 4-Wire	-	120/208 volts wye
Three phase, 4-Wire	-	347/600 volts wye

Service at any other supply voltage may be provided in special cases at the discretion of Hydro.

(b) Service shall be supplied at single-phase 120/240 volts where the maximum demand is estimated by Hydro to be less than 75 kW. Where the maximum demand is estimated to be 75kW or greater, service shall normally be supplied at one of the standard three-phase voltages.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

Hydro may, if requested by the Customer, provide a three-phase supply where the maximum demand is estimated to be less than 75 kW, if a contribution in aid of construction is paid to Hydro to cover the cost of transformers, equipment and any line extensions or upgrades required to provide the three-phase service.

To determine the contribution required, the cost to provide three-phase service will be reduced by the value of any single-phase plant supported by the projected revenue from the Customer, as calculated in accordance with Hydro's distribution line contribution in aid of construction policy applicable to General Service Customers. Where the necessary equipment and transformer capacity already exist at the location in question, no contribution in aid of construction will be required to provide the three-phase service.

(c) Hydro shall determine the point at which power and energy is delivered from Hydro's facilities to the Customer's electrical system.

(d) Service entrances shall be in a location satisfactory to Hydro and, except as otherwise approved by Hydro, shall be wired for outdoor meters.

(e) Where Hydro has reason to believe that Service to a Customer has or will have load characteristics which may cause undue interference with Service to another Customer, the Customer shall upon written notice by Hydro provide and install, at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference.

(f) (i) Any Customer having a connected load or a normal operating demand of more than 25 kilowatts, in areas where space limitations or aesthetic reasons make it impractical to use a pole mounted transformer bank, shall, on request of Hydro, install and maintain a padmount transformer and all associated underground wiring, or provide at his expense a suitable vault or enclosure on the Serviced Premises for exclusive use by Hydro for its equipment necessary to supply and maintain service to the Customer.

(ii) Where either the service requirements of a Customer or changes to a Customer's electrical system necessitate the installation of additional equipment to Hydro's system which cannot be accommodated in Hydro's existing vaults or structures, the Customer shall, on request of Hydro, provide at the Customer's expense such additional space in its vault or enclosure as Hydro shall require to accommodate the additional equipment.

(g) The Customer shall not use a Service for across the line starting of motors rated over 10 horsepower except where specifically approved by Hydro.

(h) For Services having rates based on kilowatt demand, the average power factor shall not be less than 90%. Hydro, in its discretion, may make continuous tests of power factor or may test the Customer's power factor from time to time. If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at his expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

(i) Hydro shall provide transformation for Service up to 500 kVA where the required service voltage is one of Hydro's standard service voltages and installation is in accordance with Hydro's standards. In other circumstances, Hydro, on such conditions as it deems acceptable, may provide the transformation.

(j) All Customer wiring and installations shall be in compliance with all statutory and regulatory requirements including the Canadian Electrical Code, Part 1 and, where applicable, in accordance with Hydro's specifications. However, the provision of Service shall not in any way be construed as acceptance by Hydro of the Customer's electrical system.

(k) The Customer shall provide such protective devices as may be necessary to protect his property and equipment from any disturbance beyond the reasonable control of Hydro.

6. SERVICE STANDARDS - STREET AND AREA LIGHTING SERVICE:

(a) For Street And Area Lighting Service Hydro shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4200 hours per year. Hydro shall, subject to Regulation 9 (i) make all repairs necessary to maintain service.

(b) Hydro shall supply the energy required and shall provide and maintain the illuminating fixtures and lamps together with necessary overhead conductors, control equipment and other devices.

(c) Hydro shall not be required to provide Street and Area Lighting Service where, in the opinion of Hydro, the normal Service is unsuitable for the task or where the nature of the activities carried out in the area would likely result in damage to the poles, wiring or fixtures.

(d) Hydro shall provide a range of fixture sizes utilizing an efficient lighting source in accordance with current standards in the industry and shall consult with the Customer regarding the most appropriate use of such fixtures for any specific installation.

(e) The location of fixtures for Street and Area Lighting Service shall be determined by Hydro in consultation with the Customer. After poles and fixtures have been installed they shall not be relocated except at the expense of the Customer.

(f) Hydro does not guarantee that fixtures used for Street And Area Lighting Service will illuminate any specific area.

(g) Where the installation of fixtures is required in a location where there are no existing distribution poles the Customer shall pay any contribution in aid of construction as may be determined under Hydro's policy for the pole line extension required to supply electric service to the location of the fixtures.

(h) Hydro shall not be required to provide additional Street And Area Lighting Service to a Customer where on at least two occasions in the preceding twelve months, his bill for such Service has been in arrears for more than 30 days.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

7. METERING:

(a) Service to each building shall be metered separately except as provided in Regulation 7(b).

(b) Service to buildings and facilities on the same Serviced Premises which are occupied by the same Customer may, subject to Regulation 7(c), be metered together provided the Customer supplies and maintains all distribution facilities beyond the point of supply.

(c) Except as provided in Regulation 7(d) Service to each new Domestic Unit shall be metered separately.

(d) Where an existing Domestic Unit is subdivided into two or more new Domestic Units, Service to the new Domestic Units may, in the discretion of Hydro, be metered together.

(e) Where four or more Domestic Units are metered together, the Basic Customer Charge shall be multiplied by the number of Domestic Units.

(f) Where the floor space in the non-domestic portion exceeds 46 sq. meters, the Service shall not qualify for the Domestic Service Rate.

(g) Hydro shall not be required to provide more than one meter per Service, however, sub-metering by the Customer for any purpose not inconsistent with these Regulations is permitted.

(h) Subject to Regulations 7(c) and 7(g) Service to different units of a building may, at the request of the Customer, be combined on one meter or be metered separately.

(i) Maximum demand for billing purposes shall be determined by demand meter or, at the option of Hydro, may be based on:

(i) 80% of the connected load, where the demand does not exceed 100 kW, or

(ii) the smallest size transformer(s) required to serve the load if it is intermittent in nature such as X-Ray, welding machines or motors that operate for periods of less than thirty minutes, or

(iii) the kilowatt-hour consumption divided by an appropriate number of hours use where the demand is less than 10 kW.

(j) When charges are based on maximum demand the metering shall normally be in kVA if the applicable Rate is in kVA and in kW if the applicable Rate is in kW.

If the demand is recorded on a kVA meter but the applicable Rate is based on a kW demand, the recorded demand may be decreased by ten percent (10%) and the result shall be treated as the kW demand for billing purposes.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

If the demand is recorded on a kW meter but the applicable Rate is based on a kVA demand, the recorded demand may be increased by ten percent (10%) and the result shall be treated as the kVA demand for billing purposes.

(k) The Customer shall ensure that meters and related equipment are visible and readily accessible to Hydro's personnel and are suitably protected. Unless otherwise approved by Hydro, meters shall be located outdoors and shall not subsequently be enclosed.

(l) If a meter is located indoors and Hydro employees are unable to obtain access to read the meter at the normal reading time for three consecutive months, the Customer shall upon written notice given by Hydro, provide for the installation of an outdoor meter at his expense.

(m) In the event that a dispute arises regarding the accuracy of a meter, and Hydro is unable to resolve the matter with the Customer then either the Customer or Hydro shall have the right to request an accuracy test in accordance with the requirements of the Electricity Inspection Act of Canada. Should the test indicate that the meter accuracy is not within the allowable limits, the Customer's bill shall be adjusted in accordance with the provisions of the said Act and all costs involved in the removal and testing of the meter shall be borne by Hydro. Should the test confirm the accuracy of the meter, the costs involved shall be borne by the party requesting the test. Hydro may require a Customer to deposit with Hydro in advance of testing, an amount sufficient to cover the costs involved.

(n) Metering shall normally be at secondary distribution voltage level but may at the option of Hydro be at the primary distribution level. When metering is at the primary distribution voltage (4-25KV) the monthly demand and energy consumption shall be reduced by 1.5%.

8. METER READING:

(a) Where reasonably possible Hydro shall read meters monthly provided that Hydro may, at its discretion, read meters at some other interval and estimate the reading for the intervening month(s). Areas which consist primarily of cottages will have their meters read four times per year and Hydro will estimate the readings for all other months.

(b) If Hydro is unable to obtain a meter reading due to circumstances beyond its reasonable control, Hydro may estimate the reading.

(c) If due to any cause a meter has not correctly recorded energy consumption or demand, then the probable consumption or demand shall be estimated in accordance with the best data available and used to determine the relevant charge.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

9. CHARGES:

(a) Every Customer shall pay Hydro the charges approved by the Board from time to time for the Service(s) provided to the Customer or provided to the Serviced Premises at the Customer's request.

(b) Where a Customer requires Service for a period of less than three (3) years, the Customer shall pay Hydro in advance a "Temporary Connection Fee". The Temporary Connection Fee is calculated as the estimated labour cost of installing and removing lines and equipment necessary for the Service plus the estimated cost of non-salvageable material.

(c) Where special facilities are required or requested by the Customer or any facility is relocated at the request of the Customer, the Customer shall pay Hydro in advance the estimated additional cost of providing the special facilities and the estimated cost of the relocation less any betterment.

(d) The Customer shall pay Hydro in advance or on such other terms approved by the Board from time to time any contribution in aid of construction as may be determined by the methods prescribed by the Board.

(e) The Customer shall pay Hydro the amount set forth in the Rate for all poles required for Street And Area Lighting Service which are in addition to those installed by Hydro for the distribution of electricity. This charge shall not apply to Hydro poles and communications poles used jointly for Street And Area Lighting Service and communications attachments.

(f) Where a service is Disconnected pursuant to Regulation 12(a), b(ii), (c), or (d) and the Customer subsequently requests that the service be reconnected, the Customer shall pay a reconnection fee. Where a Service is Disconnected pursuant to Regulation 12(g) and an Applicant subsequently requests that the service be reconnected, the Applicant shall pay a reconnection fee. Applicants that pay the reconnection fee will not be required to pay the application fee. The reconnection fee shall be $20.00 where the reconnection is done during Hydro's normal office hours or $40.00 if it is done at other times.

(g) Where a Service, other than a Street and Area Lighting Service, is Discontinued pursuant to Regulation 11(a), or Disconnected pursuant to Regulations 12(a), b(ii), (c) or (d) and the Customer subsequently requests that the Service be restored within 12 months, the Customer shall pay, in advance, the minimum monthly charges that would have been incurred over the period if the Service had not been Discontinued or Disconnected.

(h) (i) Where a Street and Area Lighting Service is Discontinued pursuant to Regulation 11(a), (b), or (c), or 9(i), or when a Customer requests removal of existing fixtures, and/or poles, the Customer shall pay at the time of removal an amount equal to the unrecovered capital cost, plus the cost of removal less any salvage value of only the poles to be Discontinued or removed.

(ii) If a Customer requests the subsequent replacement of the fixture, either immediately or at any time within 12 months by another, whether or not of the same type or size, the Customer shall pay, in advance, an amount equal to the unrecovered capital cost

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

of the fixture removed, plus the cost of removal, less any non-luminaire salvage, as well as the monthly charges that would have been incurred over the period if the Service had not been Discontinued.

(iii) Where a Street and Area Lighting Service is Discontinued, any pole dedicated solely to the Street and Area Lighting Service may, at the Customer's request, remain in place for up to 24 months from the date of removal of the fixture, during which time the Customer shall continue to pay the prescribed monthly charge for the pole.

(i) Where street and area lighting fixtures or lamps are wantonly, wilfilly, or negligently damaged or destroyed (other than through the negligence of Hydro), Hydro, at its option and after notifying the Customer by letter, shall remove the fixtures and the monthly charges for these fixtures will cease thirty days after the date of the letter. However, if the customer contacts Hydro within thirty days of the date of the letter and agrees to pay the repair costs in advance and all future repair costs, Hydro will replace the fixture and rental charges will recommence. If any future repair costs are not paid within three months of the date invoiced, Hydro, after further notifying the Customer by letter, may remove the fixtures. In all such cases the fixtures shall not be replaced unless the Customer pays to Hydro in advance all amounts owing prior to removal plus the cost of removing the old fixtures and installing the new fixtures.

(j) Where a Service other than Street and Area Lighting Service is not provided to the Customer for the full monthly billing period or where Street and Area Lighting Service is not provided for more than seven (7) days during the monthly billing period, the relevant charge to the Customer for the Service for that period may be prorated except where the failure to provide the Service is due to the Customer or to circumstances beyond the reasonable control of Hydro.

(k) Where a Customer's Service is at primary distribution or transmission voltage and the Customer provides his own transformation and all other facilities beyond the designated point of supply the monthly demand charge shall, subject to the minimum monthly charge, be reduced as follows:

For the Island Interconnected, L'Anse au Loup and Isolated service areas:

(i) for supply at 4 KV to 25 KV ..... $0.40 per kVA

(ii) for supply at 33 KV to 138 KV ..... $0.90 per kVA

For the Happy Valley-Goose Bay, Labrador City and Wabush service areas:

(iii) for supply at 4 KV to 25 KV ..... $0.25 per kVA

(iv) for supply at 33 KV to 138 KV ..... $0.60 per kVA

(l) Where a Customer's monthly demand has been permanently reduced because of the installation of peak load controls, power factor correction, or by rendering sufficient equipment inoperable,

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

by any means satisfactory to Hydro, the monthly demands recorded prior to the effective date of such reduction may be adjusted when determining the Customer's demand for billing purposes thereafter. Should the Customer's demand increase above the adjusted demands in the following 12 months, the Customer will be billed for the charges that would have been incurred over the period if the demand had not been adjusted.

(m) Charges may be based on estimated readings or costs where such estimates are authorized by these Regulations.

(n) An application fee of $8.00 will be charged for all requests for Customer name changes and connection of new Serviced Premises. Landlords will be exempted from the application fee for name changes at Serviced Premises for which a landlord agreement pursuant to Regulation 11(f) is in effect.

10. BILLING:

(a) Hydro shall bill the Customer monthly for charges for Service. However, when a Service is disconnected or a bill is revised, Hydro may issue an additional bill.

(b) The charges for Street And Area Lighting Service may be included as a separate item on a bill for any other Service.

(c) Bills are due and payable when issued. Payment shall be made at such place(s) as Hydro may designate from time to time. Where a bill is not paid in full by the date that a subsequent bill is issued and the amount outstanding is $50.00 or more, Hydro will charge interest at a rate equal to the prime rate charged by chartered banks on the last day of the previous month plus five percent.

(d) Where a Customer's cheque is not honoured for insufficient funds a charge of $10.00 may be applied to the Customer's bill.

(e) Where a Customer is billed on the basis of an estimated charge, an adjustment shall be made in a subsequent bill should such estimate prove to be inaccurate.

(f) Where between normal meter reading dates, one Customer assumes from another Customer the responsibility for a metered Service or a Service is Discontinued, Hydro may base the billing on an estimate of the reading as of the date of change.

(g) Where a Customer has been under billed due to an error on the part of Hydro or due to an act or omission by a third party, the Customer may, at the discretion of Hydro, be relieved of the responsibility for all or any part of the amount of the under billing.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

11. DISCONTINUANCE OF SERVICE:

(a) A Service may be Discontinued by the Customer at any time upon prior notice to Hydro provided that Hydro may require 10 days prior notice in writing.

(b) A Service may be Discontinued by Hydro upon 10 days prior notice in writing to the Customer if the Customer:

(i) provided false or misleading information on the application for the Service

(ii) fails to provide security or guarantee for the Service required under Regulation 4.

(c) A Service may be Discontinued by Hydro without notice if the Service was Disconnected pursuant to Rule 12 and has remained Disconnected for over 30 consecutive days.

(d) When Hydro accepts an application for Service, any prior contract for the same Service shall be Discontinued except where an agreement for that Service is signed by a landlord under Regulation 11(f).

(e) Where a Service has been Discontinued, the Service may, at the option of Hydro and subject to Rule 12(a), remain connected.

(f) A landlord may sign an agreement with Hydro to accept charges for Service provided to a rental premise for all periods when Hydro does not have a contract for Service with a tenant for that premise.

12. DISCONNECTION OF SERVICE:

(a) Hydro shall Disconnect a Service within 10 days of receipt of a written request from the Customer.

(b) Hydro may Disconnect a Service without notice to the Customer:

(i) where the Service has been Discontinued

(ii) on account of or to prevent fraud or abuse

(iii) where in the opinion of Hydro the Customer's electrical system is defective and represents a danger to life or property.

(iv) where the Customer's electrical system has been modified without compliance with the Electrical Regulations.

(iv) where the Customer has a building or structure under Hydro's wires which is within the minimum clearances recommended by the Canadian Standards Association.

(vi) when ordered to do so by any authority having the legal right to issue such order.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

(c) Hydro may, in accordance with its Collection Policies, Disconnect a Service upon prior notice to the Customer if the Customer has a bill for any Service which is not paid in full 30 days or more after issuance.

(d) Hydro may Disconnect a Service upon 10 days prior notice to the Customer if the Customer is in violation of any provision of these Regulations.

(e) Hydro may refuse to reconnect a Service if the Customer is in violation of any provisions of these Rules or if the Customer has a bill for any Service which is unpaid.

(f) Hydro may disconnect a service to make repairs or alterations. Where reasonable and practical, Hydro shall give prior notice to the Customer.

(g) Hydro may disconnect the Service to a rental premises where the landlord has an agreement with Hydro authorizing Hydro to disconnect the Service for periods when Hydro does not have a contract for Service with a tenant of that premises.

13. PROPERTY RIGHTS:

(a) The Customer shall provide Hydro with space and cleared rights-of-way on private property for the line(s) and facilities required to serve the Customer.

(b) Hydro shall have the right to install, remove or replace such of its property as it deems necessary.

(c) The Customer shall provide Hydro with access to the Serviced Premises at all reasonable hours for purposes of reading a meter or installing, replacing, removing or testing its equipment, and measuring or checking the connected load.

(d) All equipment and facilities provided by Hydro shall remain the property of Hydro unless otherwise agreed in writing.

(e) The Customer shall not unreasonably interfere with Hydro's access to its property.

(f) The Customer shall not attach wire, cables, clotheslines or any other fixtures to Hydro's poles or other property except by prior written permission of Hydro.

(g) The Customer shall allow Hydro to trim all trees in close proximity to service lines in order to maintain such lines in a safe manner.

(h) The Customer shall not erect any buildings or obstructions on any of Hydro's easement lands or alter the grade of such easements by more than 20 centimetres, without the prior approval of Hydro.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

14. HYDRO LIABILITY:

Hydro shall not be liable for any failure to supply Service for any cause beyond its reasonable control, nor shall it be liable for any loss, damage or injury caused by the use of Services or resulting from any cause beyond its reasonable control.

15. GENERAL:

(a) No employee, representative or agent of Hydro has authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Regulations and no such promise, agreement or representation shall be binding on Hydro.

(b) Any notice under these Regulations will be considered to have been given to the Customer on the date it is received by the Customer or three days following the date it was delivered or mailed by Hydro to the Customer's last known address, whichever is sooner.

16. POLICIES FOR AUTOMATIC RATE CHANGES

(a) Island Interconnected System:

(i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.

(b) L'Anse au Loup System:

(i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.

(c) Isolated Systems:

(i) Isolated Rural Domestic customers, excluding Government departments, pay the same rates as Newfoundland Power for the basic customer charge and First Block consumption (outlined in Rate 1.2D). Rates charged for consumption above this block will be automatically adjusted by the average rate of change[3] granted Newfoundland Power from time to time, excluding Newfoundland Power's changes for the July 1st Municipal Tax and Rate Stabilization adjustments and for any Fuel Rider adjustments.

[3] Where the average rate of change is based on a Newfoundland and Labrador Hydro General Rate Application, the average rate of change will be calculated with reference to Newfoundland Power's base rate, rather than net rate, change, since Newfoundland Power's net rate includes the Rate Stabilization Plan and fuel rider adjustment.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

(ii) Rates for Isolated Rural General Service customers, excluding Government departments, will increase or decrease by the average rate of change[4] granted Newfoundland Power from time to time, excluding Newfoundland Power's changes for the July 1st Municipal Tax and Rate Stabilization adjustments and for any Fuel Rider adjustments.

(iii) As Newfoundland Power changes its rates, Hydro will automatically adjust Rural Isolated street and area lighting rates, excluding those for Government departments, such that these rates are the same as charged Newfoundland Power customers.

[4] Where the average rate of change is based on a Newfoundland and Labrador Hydro General Rate Application, the average rate of change will be calculated with reference to Newfoundland Power's base rate, rather than net rate, change, since Newfoundland Power's net rate includes the Rate Stabilization Plan and fuel rider adjustment.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.1D

GENERAL SERVICE DIESEL 0-10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: ..... $22.85 per month

Energy Charge:
All kilowatt-hours ..... @19.417 ¢ per kWh

Minimum Monthly Charge: Single Phase $22.85
Three Phase $41.68

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2D

GENERAL SERVICE DIESEL OVER 10 kW

Availability:

For all the Island and Labrador diesel service areas of Hydro (excluding Government Departments) for non-domestic services where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

Basic Customer Charge: ..... $32.25 per month

Demand Charge:
The maximum demand registered on the meter in the current month ..... @ $14.36 per kW

Energy Charge:
All kilowatt-hours ..... @18.19 ¢ per kWh

Minimum Monthly Charge: Single Phase $32.25
Three Phase $70.19

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.2G

DOMESTIC DIESEL

GOVERNMENT DEPARTMENTS

Availability:

For Service to Government Departments throughout the Island and Labrador diesel service areas of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge.....$40.00 per month

Energy Charge:
All kilowatt-hours .....@ 71.13 ¢ per kWh

Minimum Monthly Charge $40.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1G

GENERAL SERVICE DIESEL 0-10 kW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge.....$43.54 per month

Energy Charge:
All kilowatt-hours .....@ 64.33 ¢ per kWh

Minimum Monthly Charge $43.54

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2G

GENERAL SERVICE DIESEL OVER 10 KW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

Basic Customer Charge: ..... $64.20 per month

Demand Charge:
The maximum demand registered on the meter in the current month ..... @ $45.45 per kW

Energy Charge:
All kilowatt-hours ..... @ 46.44 ¢ per kWh

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00 or more than $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1G

STREET AND AREA LIGHTING SERVICE DIESEL

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Street and Area Lighting Service to Government Departments throughout the Island and Labrador Diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$65.68
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	53.20
150W (14,400 lumens)	65.68

[1] Only High Pressure Sodium fixtures are available for all new installations and replacements.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1H

DOMESTIC

Availability:

For Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge: ..... $7.00 per month

Energy Charge:
All kilowatt-hours ..... @ 3.25 ¢ per kWh

Minimum Monthly Charge $7.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations**.**
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1H

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: ..... $9.10 per month

Energy Charge:
All kilowatt-hours ..... @ 4.945 ¢ per kWh

Minimum Monthly Charge: Single Phase $9.10
Three Phase $20.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2H

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month .....@ $2.20 per kW

Energy Charge:
All kilowatt-hours .....@ 2.477 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than $20.00 for a three phase service**.**

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3H

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month .....@ $2.00 per kVA

Energy Charge:
All kilowatt-hours .....@ 2.140 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations**. This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4H

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:
The maximum demand registered on the meter in the current month .....@ $1.75 per kVA

Energy Charge:
All kilowatt-hours .....@ 1.779 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1H

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Happy Valley-Goose Bay Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$ 11.90
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	8.75
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

[1] Only High Pressure Sodium fixtures are available for all new installations and replacements.

Special poles used exclusively for lighting service

Wood..... $ 3.00

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1H

SECONDARY ENERGY

Availability:

For Service to Customers on the Labrador Interconnected grid engaged in fuel switching who purchase a minimum of 1 MW load and a maximum of 24 MW, who provide their own transformer and, who are delivered power at primary voltages. Hydro shall supply Secondary Energy to the Customer at such times and to the extent that Hydro has Churchill Falls electricity available in excess of the amount it requires for its own use, and to meet its commitments and sales opportunities, present and future, for firm energy. Moreover, Hydro may interrupt or reduce the supply of Secondary Energy at its sole discretion for any cause whatsoever. The energy delivered shall be used solely for the operation of the equipment engaged in fuel switching.

Energy Charge:

The energy charge shall be calculated monthly based on:

EITHER:

A. The Customer's cost of fuel (cents per litre) most recently delivered to the Customer including fuel additives, if any, in accordance with the following formula:

Secondary Energy Rate = Constant Factor x Fuel Cost/Litre x 90%

$$\text{Constant Factor} = \frac{3413\ \text{BTU/kWh} \times A \times B}{C \times D}$$

Where:

A = Customer's Electric Boiler Efficiency

B = Transformer and Losses Adjustment Factor

C = BTU/Litre of the Customer's fuel

D = Customer's Oil-fired Boiler Efficiency

OR:

B. The price equivalent to that negotiated for the sale of energy to non-regulated customers, as adjusted for losses.

WHICHEVER IS GREATER.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1H (Continued)

SECONDARY ENERGY

Prior to the commencement of service, the Customer will provide to Hydro the rate component values for insertion in the pricing formula for Secondary Energy. If subsequent changes to any of these rate components are required, the Customer will provide them to Hydro as soon as practicable. Hydro may require that these rate component values be verified.

Communications

The Customer and Hydro shall each designate a position within their respective staffs to be responsible for communications as to changes in the cost of the fuel delivered to the Customer. Hydro will contact the Customer's designate on or before the second working day of each month at which time the Customer's designate will inform Hydro of the fuel cost. If this information is unavailable to Hydro for any reason, Hydro will use the previous month's fuel cost and make the adjustment to the correct cost in the following month's billing.

Power Factor

If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at the Customer's expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

General:

Insofar as they are not inconsistent with the forgoing, the conditions of service provided in the Rules and Regulations shall apply to Customers in this rate class.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1W

DOMESTIC

Availability:

For Service throughout the Labrador City and Wabush Interconnected service area of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge: ..... $6.60 per month

Energy Charge:
All kilowatt-hours ..... @ 2.745 ¢ per kWh

Minimum Monthly Charge $6.60

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations**.**
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1W

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: ..... $9.10 per month

Energy Charge:
All kilowatt-hours ..... @ 4.540 ¢ per kWh

Minimum Monthly Charge: Single Phase $9.10
Three Phase $20.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2W

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month .....@ $2.20 per kW

Energy Charge:
All kilowatt-hours .....@ 2.477 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than $20.00 for a three phase service**.**

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3W

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month .....@ $2.00 per kVA

Energy Charge:
All kilowatt-hours .....@ 2.140 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations**. This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4W

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador City and Wabush Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:
The maximum demand registered on the meter in the current month .....@ $1.75 per kVA

Energy Charge:
All kilowatt-hours .....@ 1.779 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1W

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador City and Wabush Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR[1]	
250W (9,400 lumens)	$ 9.20
HIGH PRESSURE SODIUM [2]	
100W (8,600 lumens)	9.00
150W (14,400 lumens)	11.90
250W (23,200 lumens)	15.95
400W (45,000 lumens)	20.10

[1] Fixtures previously owned by the Town of Wabush as of September 1, 1985, and transferred to Hydro in 1987.

[2] Only High Pressure Sodium fixtures are available for all new installations and replacements installed after September 1, 2002.

Special poles used exclusively for lighting service

Wood .....$ 3.00

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.11W

STREET AND AREA LIGHTING SERVICE (Continued)

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro existing as of September 1, 2002.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	$ 6.02

[1] All new fixtures added will be at the rates set out in Rate 4.1W.

Special poles used exclusively for lighting service

Wood .....$ 3.00

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.12W

STREET AND AREA LIGHTING SERVICE (Continued)

Availability:

For Street and Area Lighting Service throughout the Labrador City service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	$ 3.83

Special poles used exclusively for lighting service

Wood .....$ 3.00

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1L

DOMESTIC

Availability:

For Service throughout the Labrador Interconnected service area of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge: ..... $7.22 per month

Energy Charge:
All kilowatt-hours..... @ 3.33 ¢ per kWh

Minimum Monthly Charge.....$7.22

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations**.**
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1L

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge: ..... $10.75 per month

Energy Charge:
All kilowatt-hours..... @ 5.340 ¢ per kWh

Minimum Monthly Charge: Single Phase $10.75
Three Phase $20.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2L

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month ..... @ $2.20 per kW

Energy Charge:
All kilowatt-hours..... @ 2.477 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than $20.00 for a three phase service**.**

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than $1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.3L

GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate:

Demand Charge:
The maximum demand registered on the meter in the current month..... @ $2.00 per kVA

Energy Charge:
All kilowatt-hours..... @ 2.140 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations**. This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4L

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:
The maximum demand registered on the meter in the current month..... @ $1.75 per kVA

Energy Charge:
All kilowatt-hours..... @ 1.779 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 ¢ per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to $1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of $500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	$ 13.10
HIGH PRESSURE SODIUM [1]	
100W (8,600 lumens)	9.63
150W (14,400 lumens)	13.10
250W (23,200 lumens)	17.55
400W (45,000 lumens)	22.50

[1] Only High Pressure Sodium fixtures are available for all new installations and replacements.

Special poles used exclusively for lighting service

Wood .....$ 3.25

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.12L

STREET AND AREA LIGHTING SERVICE (Continued)

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	$ 4.10

Special poles used exclusively for lighting service

Wood .....$ 3.25

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

Ed Martin
President and Chief Executive Officer
Newfoundland and Labrador Hydro

At the hearing into Newfoundland and Labrador Hydro's 2006 General Rate Application, the Corporate Overview Evidence will be adopted by Ed Martin, President and Chief Executive Officer ("CEO") of Newfoundland and Labrador Hydro.

A witness profile for Mr. Martin is as follows:

- Mr. Martin was appointed President and CEO of Newfoundland and Labrador Hydro and the Hydro Group of Companies in August of 2005.
- He is currently a Board member of the Canadian Electricity Association and the Energy Council of Canada. As well, he is a member of the Memorial University School of Business Advisory Board and the Institute for Ocean Technology Advisory Board.
- Mr. Martin graduated from Memorial University of Newfoundland (Bachelor of Commerce, 1980) and the University of Calgary (Master of Business Administration, 1988).
- Mr. Martin has 25 years of experience in the oil and gas industry, most recently with Petro-Canada as Manager, Joint Ventures. Prior to joining Petro-Canada, Mr. Martin was Chief Financial Officer and Lifting and Transportation Manager of Hibernia Management and Development Company ("HMDC"). Before that, Mr. Martin was employed by Mobil Oil in Halifax, NS, Calgary, AB, and St. John's in a variety of roles.

Corporate Overview

Evidence Outline

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1. SUMMARY OF EVIDENCE

1.1 Introduction

As the new President of Newfoundland and Labrador Hydro ("Hydro" or "the Company") this General Rate Application (“GRA”) is my first experience before the Board of Commissioners of Public Utilities (“the Board"). This evidence provides a broad overview of the case and addresses Hydro's regulated activities, the key factors which have led to this Application, the overall corporate performance and the customer impacts of the rates sought in this Application.

1.2 Regulated Activities

The Company continues to maintain a strong concentration on regulated activities while at the same time pursuing an expanded mandate from its Shareholder. Non-regulated activities and costs are separated from regulated to ensure that ratepayers are not paying for non-regulated activities.

1.3 Key Factors

Hydro is forecasting a loss on operations in 2007 (a negative return on equity of 6.08%) assuming existing rates continue. This is driven largely by increases (from the 2004 Test Year) in:

- world fuel prices, affecting both the cost of fuel and power purchases that are based on fuel;
- Bank of Canada interest rates, affecting Hydro’s cost of borrowing;
- depreciation expense; and
- to a lesser extent, operating and maintenance expenses.

1.4 Overall Corporate Performance

Hydro's efforts have resulted in:

- operating and maintenance costs remaining at levels below inflation;
- Hydro continuing to achieve a high level of reliability on its bulk transmission system and generation assets;
- distribution reliability also improving;
- customer satisfaction remaining high; and
- electricity rates remaining competitive with Atlantic Canadian jurisdictions.

Hydro is also minimizing the impact of rising costs on rates through continued operational improvements to gain efficiencies and cost savings. The Company continues to optimize costs through labour, technology and process improvements, as well as appropriate asset management practices. Increased efforts in energy conservation are aimed at providing both short and long-term benefit to consumers in managing their electricity costs.

1.5 Customer Impacts

The approvals sought in this Application cause the following customer impacts:

- a net rate increase of 6.6% to Newfoundland Power ("NP") which results in an approximate 4.6% increase to Island Interconnected end consumers and customers served from the L'Anse au Loup system;
- an average increase in electricity rates of 8.2% to our Island Industrial Customers;
- an increase in costs to supply the Labrador Interconnected System that will result in an 8.5% average increase to these customers; and

- an average 13.5% increase in electricity rates to customers on the isolated diesel systems.

2. ECONOMIC OUTLOOK

Hydro's planning and financial performance is predicated on a number of market factors and economic assumptions, as they affect the electric power industry's operating environment, most significantly:

- the provincial electricity market which determines the level of Hydro's sales;
- world fuel prices; and
- borrowing costs.

2.1 Provincial Electricity Market

The general levels of economic activity in the Province of Newfoundland and Labrador (the "Province"), including the operating levels of locally based firms competing in international markets, directly affect Hydro's performance.

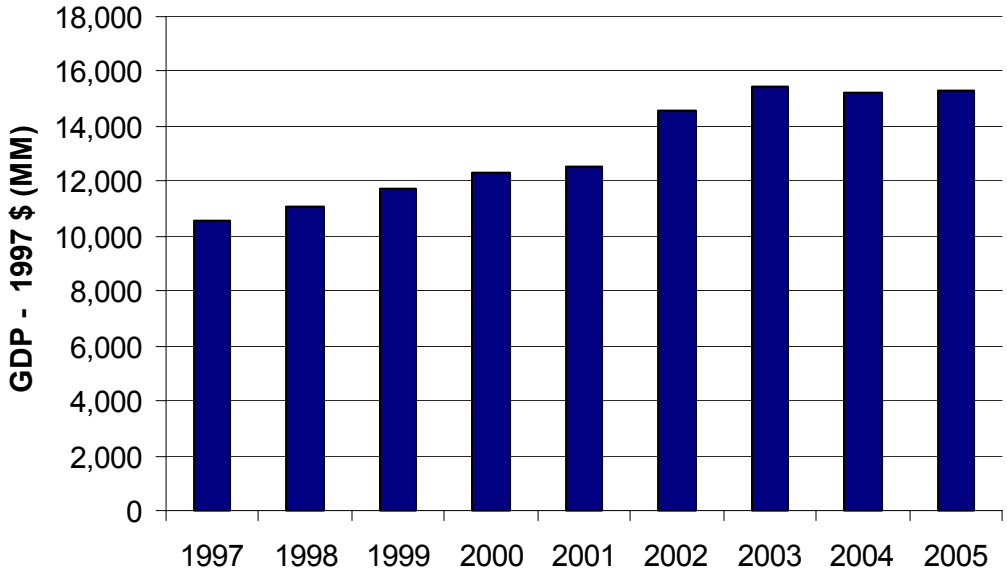
2.1.1 Medium-Term Outlook

As indicated in Chart 1, the Province has recorded solid growth in GDP since the late 1990's with resource developments factoring prominently as sources of economic gain.

While the trend is positive, primarily due to offshore oil production, the Province's pulp and paper industry continues to struggle, as evidenced by the 2005 closure of the Abitibi Consolidated Inc. ("ACI") Stephenville mill. Personal income growth and employment have, however, been sustained during this period. This income growth, combined with low interest rates, resulted in strong consumer spending and housing demand. Also noteworthy during 2005, was that the Voisey's Bay nickel development concluded major construction activities and commenced its respective operations phase.

Chart 1

Newfoundland and Labrador GDP 1997 to 2005



Electricity has remained the space heating energy of choice in the majority of new residential and commercial construction. The high heating fuel oil prices in recent years have served to increase electricity demand by further increasing the installation preference for electric heat and encouraging the substitution of fuel oil heating systems.

Over the next few years Hydro's operating environment is expected to be generally positive. High energy prices are encouraging offshore exploration and development options. Residential and non-resource commercial investment remains strong. The Province's tourism industry continues to show good growth.

The importance of the fishery harvesting and processing sectors continues for a great many rural areas of the Province but there appears to be some broadening concern for the sustainability and/or economic viability of the key crustacean fisheries. Ground fish stocks have yet to commercially recover and landings remain at historically low levels. More favorable aspects of the fishery rest with aquaculture developments, secondary processing operations and market niche

development. Excluding newsprint manufacturing, the Province's existing heavy industry base of oil refining and iron ore mining and processing is enjoying strong market prices and high operating levels and some material expansion in the iron ore industry appears possible. On the Island, a new base metal mine is under development and further gold mining is expected. The Provincial Government's financial position has improved significantly owing to favorable oil prices and a restructured Atlantic Accord. With an overall economic environment continuing to benefit from relatively low interest and inflation rates, the underlying local market conditions for electric power operations suggest modest growth potential through the medium term of five to ten years.

In summary, medium-term electricity requirements in the Province remain positive despite some weakness and restructuring in a number of its traditional resource sectors.

2.1.2 Hydro's 2007 Forecast Electricity Sales

Despite the anticipated medium-term load growth, in 2007 customer energy requirements are forecast to decline by approximately 3% compared to the 2004 Test Year.

On the Island Interconnected System, a decline of 270 GWh (-4%) compared to the 2004 Test Year is forecast. The overall decline is a result of the closure of the ACI Stephenville mill, somewhat offset by forecast growth to NP and the addition of a new Industrial Customer, Aur Resources Inc.

In the Labrador Interconnected System, energy requirements in 2007 are forecast to be 51 GWh (5%) higher than in the 2004 Test Year, reflecting generally stable rural loads coupled with higher sales to the non-regulated iron ore industry.

The net electricity requirements for isolated diesel systems are projected to be essentially unchanged in 2007 relative to the 2004 Test Year, although offsetting increases and decreases have occurred in individual diesel systems.

Detailed explanations of the load forecasts are found in the "Regulated Activities" evidence of this Application.

2.2 World Fuel Prices

As a company with a partial reliance on thermal based generation capacity, movements in world oil prices obviously have a direct impact on Hydro's costs.

Since 2004, the costs of No. 6 and diesel fuels have risen sharply, as illustrated in Charts 2 and 3 below. Further upside risk exists in the face of potential world demand growth and geo-political events.

Chart 2
$BBL No. 6 Fuel

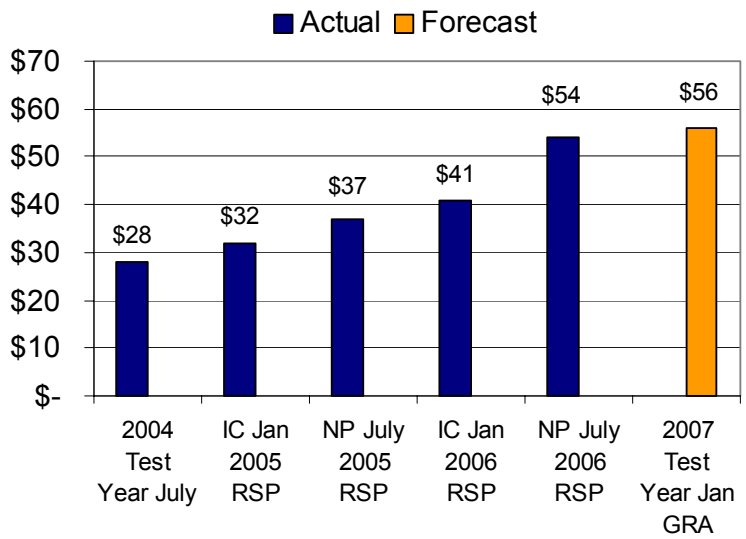
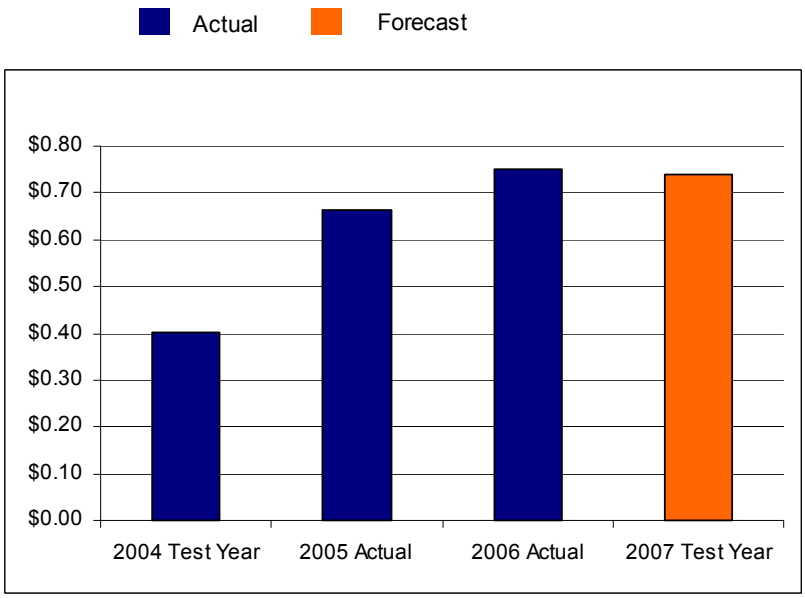


Chart 3
$ Per Litre Isolated Diesel Fuel



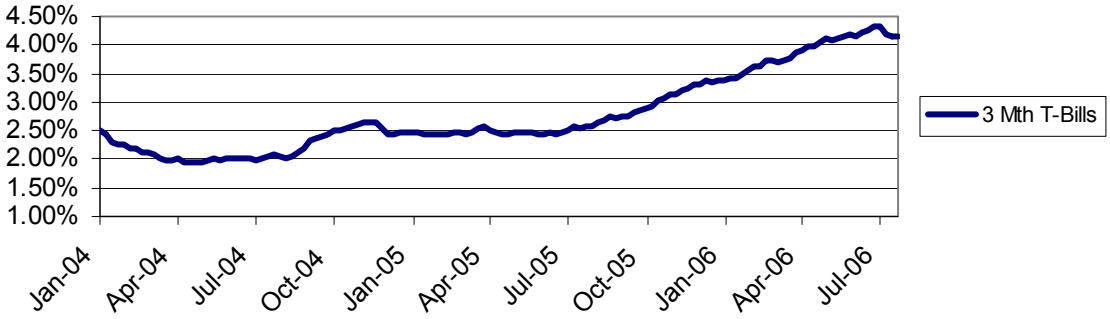
Rate impacts from increases in the price of No. 6 fuel are smoothed for Hydro's customers by the Rate Stabilization Plan ("RSP"). Diesel fuel costs and related purchased power costs included in the Application are substantially increased ($6 million) from the 2004 Test Year.

2.3 Borrowing Costs

Interest expense resulting from Bank of Canada interest rate adjustments also directly impacts Hydro's costs. The Bank of Canada has increased its short-term borrowing rate several times since 2004, as illustrated in Chart 4 below. This has had a direct impact on Hydro's overall cost of borrowing.

Chart 4

Bank of Canada
Short-term Borrowing Rates
Jan 04 to Jul 06



3. REGULATED ACTIVITIES

Hydro's core business remains the generation, transmission and distribution of electricity, customer service and rural operations activities which are regulated by this Board.

3.1 Corporate Reorganization

Hydro was restructured in 2005 to ensure that core regulated activities continue to receive directly focused leadership while other distinct and non-regulated areas of business were pursued. In addition, a layer of senior management was removed and corporate responsibilities redistributed across the leadership group.

Thus, Hydro now has four distinct lines of business, namely: Regulated Operations (with Mr. Jim Haynes as Vice President), Churchill Falls Operations, Lower Churchill Operations and New Business Development.

The Regulated Operations division operates and maintains diverse assets across the Province including:

- 9 hydroelectric generating stations;
- The Holyrood Thermal Generating Station;
- 4 interconnected gas turbines;
- 3 interconnected diesel generating stations;
- 54 high-voltage terminal stations;
- 25 lower-voltage interconnected distribution substations;
- 3,742 km of interconnected high-voltage transmission lines;
- 3,334 km of distribution lines; and
- 21 isolated diesel generating and distribution systems.

These assets serve 35,000 direct customers in 220 communities across rural Newfoundland and Labrador, as well as five Island Industrial Customers and NP, two Labrador Interconnected Industrial Customers and a Labrador Interconnected secondary energy customer.

Engineering, Finance and Human Resources are regulated activities that provide support primarily to the Regulated Operations division. The limited support provided by these functional areas to the non-regulated activities are estimated and removed from Hydro's regulated revenue requirement, details of which are found in the evidence of Mr. Bradbury.

3.2 Corporate Goals

As part of Hydro's business strategy, regulated activities are focused on key corporate goals to ensure that Hydro continues to provide enduring value to electricity consumers in the Province, namely:

- to be an environmental and safety leader;
- through operational excellence, to provide exceptional value to all consumers of our energy;
- to ensure a highly skilled and motivated team of employees who are strongly committed to Hydro's success; and
- to strengthen our financial and governance structure.

4. OPERATIONAL EXCELLENCE

Hydro is committed to operational excellence in providing least cost, reliable power to the consumers of the Province, by:

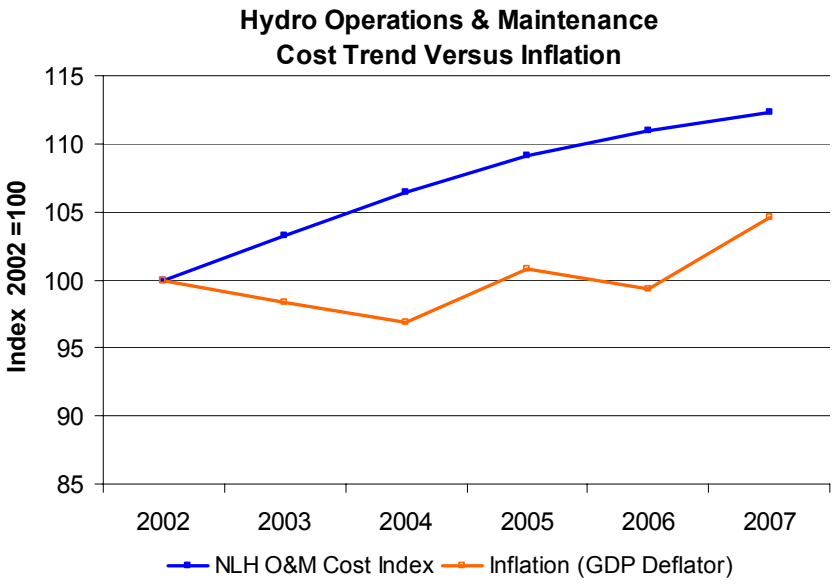
- managing costs in challenging circumstances;
- exploring opportunities to address rising fuel costs for the benefit of ratepayers;
- ensuring a reliable system;
- working towards improving safety and environmental impacts; and
- providing value to electricity consumers, demonstrated by rates that are comparable with other jurisdictions and favourable customer satisfaction indicators.

4.1 Cost Management

The prudent management of costs, without compromising safety and appropriate levels of reliability, is standard operational practice. Customers require a reliable supply of energy but are also clear they want electricity rates to remain at reasonable levels. Despite uncontrollables such as fuel price and interest rate increases, there are many costs Hydro is able to manage effectively for the benefit of customers. This evidence will provide an overview of Hydro's approaches to cost management which include workforce management and work processes, making technological investment to reduce operations, labour or maintenance costs, and asset management approaches meant to minimize the impact of an aging asset base and reflect the fact that the majority of Hydro's assets are in areas that are isolated and remote.

Overall, Hydro has been successful in minimizing the impact of rising operational costs and tracking below inflation over the five year period from 2002 to 2007, as illustrated in Chart 5.

Chart 5

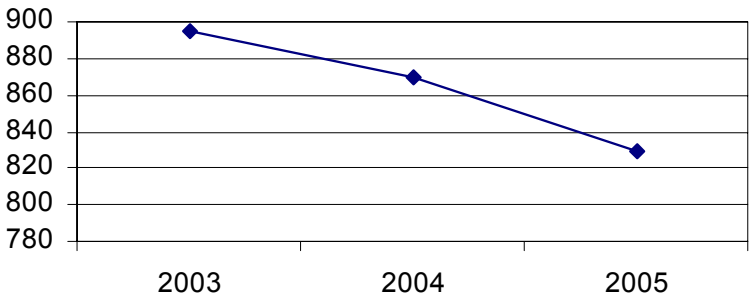


4.1.1 Workforce and Process Management

Approximately 64% of Hydro's operating and maintenance costs for 2007 are related to labour. Through attrition, operating and process improvements, as well as technological investments, Hydro's regulated activities' workforce has been reduced by 53 full-time equivalents since 2003. Despite this, there is still a 7% increase in labour costs from the 2004 to the 2007 Test Year.

Chart 6

Hydro's FTE 2003-2005



On an ongoing basis, Hydro evaluates its workforce against current business and operational plans and makes adjustments accordingly. At the same time, Hydro acknowledges the importance of having a skilled and motivated workforce to ensure achievement of corporate goals. Hydro is also aware that there is an appropriate baseline resource level considering the geographic and technical complexity of its operations, and the safety of its workers and the public.

Retention of the appropriate baseline resource level continues to be a concern, in light of:

- Hydro's aging workforce;
- Hydro's ability to recruit personnel for key positions, particularly in isolated areas; and
- Under-compensation of some trades when compared with other utilities in Atlantic Canada, given that Hydro has been subject to provincial wage freeze regulation.

4.1.2 Technological Investment

As with many companies, advances in technology to gain operational efficiencies have allowed Hydro's customers to benefit from both a reliability and service standpoint. Given challenging geographic areas, for instance, Hydro seeks to incorporate remote operation and advanced technology into its operations to improve reliability, while balancing costs and efficiency gains.

4.1.3 Balanced Asset Management

Like other utilities, Hydro is responsible for managing an aging asset base. Much of the Province's electrical system infrastructure was constructed during the electrification of Newfoundland and Labrador in the 1960's. The challenge is to maximize the value of the asset for the customer, while not jeopardizing reliability. Initiatives in this area have included:

- wood pole reliability program; and
- optimization of major maintenance cycles at Holyrood.

4.2 Tackling Rising Fuel Costs

Fuel prices continue to escalate. Since the world price of fuel is not controllable by Hydro, the Company is concentrating its efforts on reducing the consumers' reliance on fuel through:

- energy conservation;
- development of alternative generation sources; and
- future hydro developments.

These initiatives can potentially reduce the need for thermal generation and delay future additional thermal energy sources, benefiting consumers even further.

4.2.1 Energy Conservation

Energy conservation initiatives are generally focused around educating consumers on the efficient use of electricity and changing consumers' use of electricity, thereby reducing energy consumption.

On the Island Interconnected System, it is intended that conservation will also support Hydro's long-term goal to offset fuel usage and resulting costs at the Holyrood Thermal Generating Station. Energy conservation and demand side management efforts have been beneficial in offsetting fuel costs in isolated diesel systems.

According to the 2005 Canadian Electricity Association Public Attitudes Research, 69% of consumers believe that utilities should be providing information about the efficient use of electricity and 65% believe that utilities should be delivering energy efficiency programs. This data supports Hydro's view

that more effort is required in the area of energy efficiency and as the Province's prime generator of power, Hydro should work with Newfoundland Power and other partners to deliver information and energy efficiency programs to consumers. Ultimately, the outcome of energy efficiency efforts will be focused on lowering the long-term cost and environmental impact of the Province's electricity system through changes in consumers' energy usage habits.

4.2.2 Wind Energy

To mitigate rising fuel costs, along with increased conservation efforts, the Company is assessing the potential integration of wind power on the Island Interconnected System. Hydro is seeking a wind energy solution that is cost effective while benefiting the environment through reduced consumption of fuel at the Holyrood Thermal Generating Station. One wind purchased power agreement is already in place in the Ramea diesel system.

4.2.3 Other Potential Hydro Developments

As fuel prices escalate, the possibility of advancing development of future hydroelectric sites to offset the rising cost of fuel is under consideration. Hydro is advancing the assessment of potential generation from two additional hydro developments on the Island: Island Pond and Portland Creek. Further study is required, and Hydro will advise the Board of any future opportunities.

4.3 System Reliability

Hydro, as the primary generator of electricity for the Province, has a responsibility to provide reliable power at least cost. Hydro has maintained reliability indicators in both transmission and distribution systems. Hydro balances capital and operating investments to ensure appropriate reliability levels are maintained. Annually, Hydro invests significantly in the system to ensure the reliability of the provincial electrical system, and from 2001 to 2005, Hydro invested $182 million in capital system upgrades and improvements.

As detailed in the "Regulated Activities" evidence, Hydro's reliability statistics have improved in 2005 compared to the average performance for the 2001 to 2005[1] period.

4.4 Safety and Environment

The safety of employees and the public is a critical part of Hydro's operations and the Company is renewing its focus on its safety program. Hydro will continue to provide customers with least-cost, reliable power and also ensure the safety and protection of our workers and the public.

Hydro also has a responsibility to protect the environment in which it operates. Hydro's environmental performance is guided by its Environmental Management System, which is ISO 14001 certified. Hydro is committed to three guiding principles:

- prevention of pollution;
- continual improvement; and
- compliance with legislation.

In 2006, Hydro switched to burning a cleaner fuel at the Holyrood Thermal Generating Station. This move clearly demonstrates Hydro's commitment to move towards achieving environmental compliance in the area of air emissions.

Hydro anticipates that the Provincial Government will revise its requirements to mandate Hydro to use fuel containing sulphur of not more than 1% at Holyrood. In expectation of that requirement, Hydro has forecast 1% sulphur costs in the No. 6 fuel costs in the 2007 Test Year. Complete details are contained in the "Regulated Activities" evidence of the Application.

[1]Transmission Average is 2002 - 2005

4.5 Value to Electricity Consumers

Hydro sells electricity directly to seven Industrial Customers, 35,000 customers in approximately 220 communities in the more rural regions of Newfoundland and throughout Labrador, and indirectly to virtually every electricity consumer in the Province through provision of electricity to Newfoundland Power. The Company's direct customers are spread over a large geographical area within an often challenging operating environment.

4.5.1 Competitive Rates

Provincial electricity rates continue to be competitive with other jurisdictions that are also facing economic pressures related to rising costs. See the following charts for rate comparisons to Atlantic Canadian jurisdictions.

Chart 7

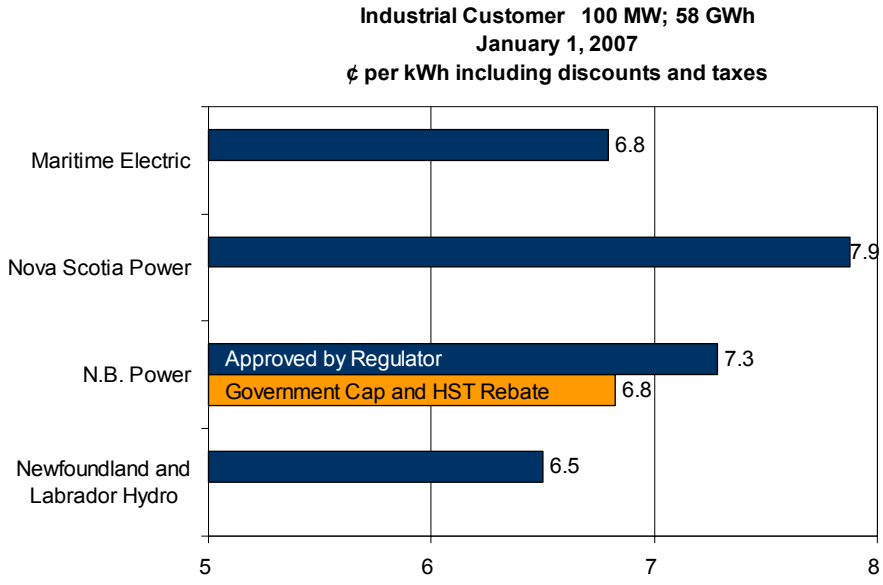
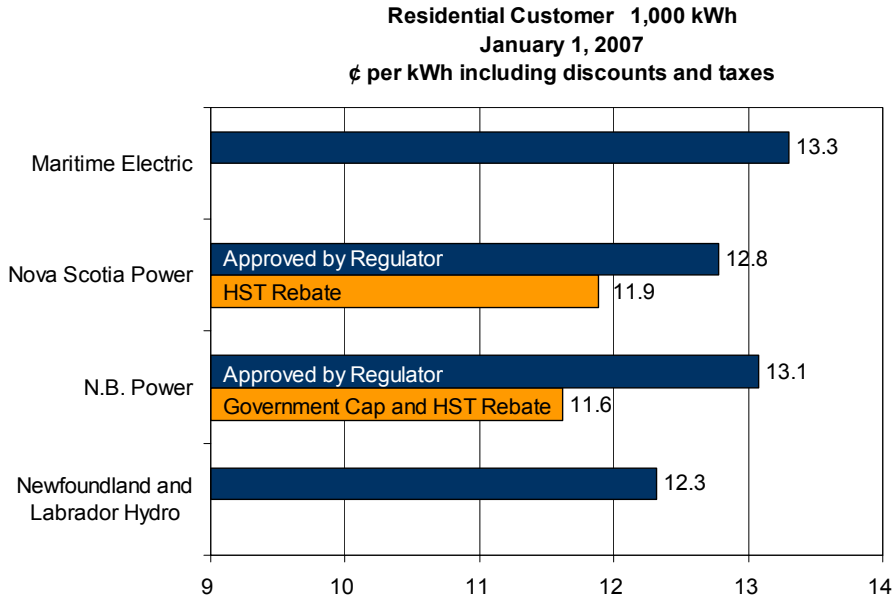


Chart 8



Hydro rates shown above are Island Interconnected rates.

4.5.2 Customer Service

Residential customer service satisfaction has been maintained at 93% from 2003 to 2005. As always, Hydro maintains a physical presence in its isolated diesel systems, and when required, additional staff is dispatched primarily from Hydro's three Transmission and Rural Operations regional offices. Hydro's Communications Service Representatives are available to deal with customer issues during business hours, and the Interactive Voice Response ("IVR") system assists customers in obtaining account information. The IVR system is available 24-hours a day, improving access, while also managing costs and labour requirements. Hydro handles 66,000 customer calls annually through the IVR, which has facilitated the Company's centralization of customer service without additional resources.

5. FINANCIAL INTEGRITY

The preservation of Hydro's financial integrity helps ensure access to the capital markets. Hydro's debt is viewed as "self-supporting" and hence supportive of the Province's own credit rating. This indirectly helps lower the borrowing costs of the Province and hence Hydro's own borrowing costs. In this manner, ongoing support of Hydro's financial integrity helps lower the cost of capital to the benefit of ratepayers.

The primary elements the Company addressed in this Application are:

- Rate of Return; and
- Capital Structure and Dividends.

5.1 Rate of Return

Pursuant to Order No. P.U. 14 (2004), Hydro is presently entitled to earn a rate of return on equity equal to Hydro's marginal cost of long-term new debt. In this Application, Hydro is not seeking to revisit this methodology and has calculated the return on equity component of proposed rates in a manner consistent with Order No. P.U. 14 (2004). As stated in the evidence of Mr. Bradbury, the rate of return on equity proposed is 5.20%.

Hydro acknowledges the findings of the Board in Order No. P.U. 14 (2004) that there were a number of issues to be resolved before it would be appropriate to permit a rate of return for Hydro comparable to the rate of return of an investor-owned utility. According to credit rating agencies, the current rate of return is low when compared to investor-owned utilities and many crown-owned utilities. Hydro believes there continues to be inherent risks of a low rate of return on Hydro's financial integrity. Hydro is working to address the Board's areas of concern related to this matter and intends to bring this issue to the Board for reconsideration in the future.

5.2 Capital Structure and Dividends

Hydro has established certain key financial targets designed to support its financial integrity, and has made steady progress towards the goal of an 80/20 debt to equity ratio. Since reaching 85.6% in 2003, the Company is predicting a return to 82.9% by the end of 2007. It is important to note that Hydro has also obtained the Shareholder's agreement to suspend dividends for one year, and is pursuing further suspension of dividends. Further details are included in the "Finance and Accounting" evidence.

6. CONCLUSION

In an attempt to control costs incurred in the provision of safe, adequate and reliable service to its customers, Hydro:

- has effectively managed its directly controllable costs;
- is pursuing strategies aimed at minimizing the impact of increasing non-controllable fuel costs; and
- has elected to seek approval for, but defer implementation of, the recommendations of the depreciation study prepared by Gannett Flemming, and discussed in Mr. Bradbury's evidence.

Nevertheless, without an increase in rates, Hydro is forecasting a loss of $12.6 million in 2007, details of which are addressed in Mr. Bradbury's evidence.

In this Application, Hydro seeks approval for recovery of 2007 forecast costs of $329,608,000 plus a return on rate base of 7.63% (calculated in a manner consistent with Order No. P.U. 14 (2004)) and rates as set out in Mr. Mitchell's evidence.

Hydro will do whatever is possible to ensure a co-operative and efficient hearing of this Application to ensure revised rates by January 1, 2007.

Mr. Jim R. Haynes, P. Eng.
Vice-President, Regulated Operations
Newfoundland and Labrador Hydro

Mr. Rob Henderson, P. Eng.
Manager, System Operations and Customer Service
Newfoundland and Labrador Hydro

Mr. Rob Cater, P. Eng.
Manager, Transmission and Rural Operations – Central Region
Newfoundland and Labrador Hydro

At the hearing into Newfoundland and Labrador Hydro's 2006 General Rate Application, the Regulated Activities Evidence will be adopted by Mr. Haynes and supported through a panel of Mr. Haynes, Mr. Henderson and Mr. Cater.

A witness profile for Mr. Haynes is as follows:

- Mr. Haynes joined Newfoundland and Labrador Hydro in 1977. Over the past 29 years he has held a number of positions with the Company including: Instrumentation Engineer on the construction of Holyrood Unit #3, Transmission Planning Engineer and Manager of Transmission Planning in the System Planning Department.

- In 1989, Mr. Haynes joined Hydro's subsidiary, Churchill Falls (Labrador) Corporation as Director of Plant Operations and Maintenance and in 1996 was appointed to the position of General Manager.

- In 1999, Mr. Haynes transferred back to Newfoundland and Labrador Hydro and in 2001 was appointed to the position of Vice-President, Production and in 2005 was appointed the Vice-President, Regulated Operations.

- Mr. Haynes is a member of the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador, the Institute of Electrical and Electronic Engineers, the Power Engineering Society, the Dielectrics and Insulation Society and the Canadian Electricity Association where he serves

as a member of the Generation Council. Mr. Haynes also serves on the Board of Directors of the Canadian Hydropower Association.

- Mr. Haynes graduated from Memorial University of Newfoundland (Bachelor of Engineering, 1977).
- Mr. Haynes has testified before the Board of Commissioners of Public Utilities during Newfoundland and Labrador Hydro's 2003 and 2004 Capital Budget Hearings, the 2003 General Rate Application and the 2006 Application to recover costs for low-sulphur fuel.

A witness profile for Mr. Henderson is as follows:

- Mr. Henderson joined Newfoundland and Labrador Hydro in 1982 as an engineer in the Graduate Development Program with placements in Terminal Station Design, Upper Salmon in-service testing and Distribution Planning.
- From 1984 to 1995, Mr. Henderson worked in the System Operations department, and in 1995 he was appointed Manager, System Operations. Mr. Henderson is responsible for the day-to-day operations of the electrical supply system.
- In 2005, Mr. Henderson was assigned the additional responsibility for Customer Service, which includes day-to-day responsibility for approximately 35,000 customers, metering and the Hydrowise energy conservation program.
- Mr. Henderson is a member of the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador and the Canadian Electricity Association, where he serves as a member of the Consultative Committee on Outage Statistics.
- Mr. Henderson graduated from Memorial University of Newfoundland (Bachelor of Engineering, 1982).
- Mr. Henderson testified before the Board of Commissioners of Public Utilities during Newfoundland and Labrador Hydro's 2001 General Rate Application.

A witness profile for Mr. Cater is as follows:

- Mr. Cater graduated from the former College of Fisheries, Navigation, Marine Engineering and Electronics with a diploma of Electrical Engineering Technology in 1981 and worked with Newfoundland and Labrador Hydro at the Holyrood Thermal Generating Station before returning to school to pursue further education.

- Mr. Cater graduated from Memorial University with a Bachelor of Engineering Degree in 1991 and at that time re-joined Hydro as Plant Electrical Engineer at the Holyrood Thermal Generating Station.

- In 1992, Mr. Cater transferred to the Generation Engineering Group. In 1999, he was transferred to the Transmission and Rural Operations Division, Bishop's Falls where he was appointed Asset Manager, Terminal Stations and Generation.

- In 2003, Mr. Cater was appointed to the position of Manager, Transmission and Rural Operations, Central Region. In 2005, Mr. Cater's area of responsibility was expanded to include the Network Services group with responsibility for the maintenance of the Corporation's communication, telecontrol and computer networking infrastructure.

- Mr. Cater is a member of the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador.

Regulated Activities

Evidence Outline

List of Schedules:

1. SUMMARY OF EVIDENCE

The regulated activities of Hydro provide 80% of the Province's electrical energy to industrial and utility customers and approximately 35,000 direct customers in 220 communities across Newfoundland and Labrador in a safe, reliable, cost-effective and environmentally responsible manner.

Hydro's service territory encompasses a broad geographic area with often challenging operating and sensitive environmental conditions. Ongoing maintenance of the extensive power system infrastructure, built over the last 50 years, is critical. An overview of the provincial electrical systems is outlined in Exhibit JRH-2.

Approximately 70% of Hydro's energy supply is from renewable hydroelectric plants. While these plants and supporting infrastructure require increasing levels of maintenance and sustained capital investment due to aging components, their cost effectiveness is still outstanding in comparison to alternative generation sources. Their renewable nature and low operating costs mitigate rate impacts of rising fuel prices by limiting the amount of thermal generation required to meet consumer needs.

Hydro's customers are exposed to fuel prices in international petroleum markets through the fuel costs for thermal generation. While the Rate Stabilization Plan ("RSP") mitigates the volatility of fuel prices, over the past 10 years, the cost of fuel for generating electricity has increased by over 175%. The price of fuel is just one of the significant factors outside of the Company's control that puts upward pressure on the cost of electricity to consumers. Faced with these external challenges, Hydro remains committed to managing its direct operating expenses in an effort to maintain stable electricity rates for consumers. The Company is focused on effective cost management while ensuring employee and public safety, meeting external regulations and balancing consumers' demand for a reliable power supply.

From 2002 to 2007, Hydro's total operating costs for the core regulated business have increased by 7%, compared to inflation for the same period of 12%. Schedule I provides a breakdown of these operating costs by department. When the amortization of deferred regulatory and extraordinary maintenance costs are excluded, the increase over the period is less than 5%. The Company's drive to maintain operating costs below inflation brings value to all electricity consumers in the Province. This has been achieved through the Company's efforts to reduce or contain costs where possible.

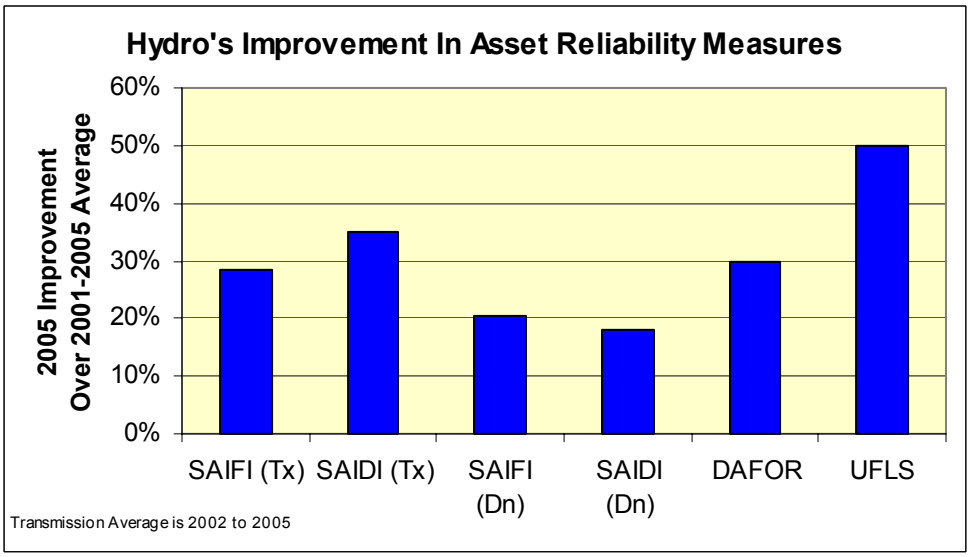
Consistent with past efforts, Hydro continued to reduce its workforce as opportunities for efficiencies materialized. From 2003 to 2005, the number of full-time equivalent employees (includes seasonal and other temporary staff) has decreased by 6% from 882 in 2003[1] to 829 in 2005.

Hydro has focused considerable effort through capital investments and sound asset management practices on improving the service reliability of the bulk transmission system. The Company's transmission system performance, as measured by the System Average Interruption Frequency Index ("SAIFI"), improved by 29% in 2005 compared to the average performance for the 2002 to 2005 period. Against the same period, Hydro's transmission System Average Interruption Duration Index ("SAIDI") improved by 35% in 2005. The Company's distribution system performance, also measured by SAIFI and SAIDI, continued to achieve strong operational results with a 21% and 18% improvement in 2005 over the 2001 to 2005 average. The Derating Adjusted Forced Outage Rate ("DAFOR") for generation improved by 30% in 2005 compared to the five-year performance for the 2001 to 2005 period. Hydro also tracks the number of underfrequency load shedding ("UFLS") incidents to measure the number of events in which the shedding of customer load is required to counteract a generator trip. Against its five-year average, UFLS improved by 50% in 2005.

[1] Hydro did not start to keep full-time equivalent data until 2003.

Hydro's performance on these asset reliability measures is summarized in Chart 1 below.

Chart 1



Hydro's annual report on Key Performance Indicators ("KPIs") was filed with the Board in April 2006 in accordance with Order No. P.U. 14 (2004) and is included in this Application as Exhibit JRH-1.

2. SUMMARY OF DIVISIONAL RESPONSIBILITY

2.1 Regulated Operations Division

The Regulated Operations division includes virtually all field staff associated with the operations and maintenance of Hydro's generation, transmission, terminals, distribution and communication facilities. A brief description of the various systems is found in Exhibit JRH-2. The division's responsibilities include:

- Operating and maintaining Hydro's hydro and thermal electric generating plants and related systems;
- Operating and maintaining the transmission and terminal station infrastructure for the interconnected system;
- Operating the interconnected power systems, including generation dispatch and directing the operations of the transmission facilities to meet anticipated load;
- Operating and maintaining the distribution and isolated diesel systems;
- Providing billing, metering and customer services to utility, industrial, residential, and commercial customers directly served by Hydro; and
- Operating and maintaining the Company's telecommunications network facilities.

The Regulated Operations division has six departments, as outlined on the organizational chart attached as Schedule II-A.

2.1.1 Generation

There are two departments with primary responsibility for generation at Hydro. The Thermal Generation department is directly responsible for the operation and maintenance of the Holyrood Thermal Generating Station and related facilities, which includes three steam electric generating units and a gas turbine.

The Hydro Generation department is responsible for the operation and maintenance of Hydro's six major hydroelectric plants, and two mini-hydro plants, and related facilities on the Island. Most staff are centrally located in Bay d'Espoir with the exception of a small group most of whom work on the West Coast. This group facilitates the safe and reliable operation and maintenance of the Cat Arm and Hinds Lake plants.

2.1.2 Transmission and Rural Operations

The responsibility for the maintenance of the transmission systems, and the operation and maintenance of the rural distribution and isolated diesel assets, rests with three Transmission and Rural Operations ("TRO") regions: Central, Northern and Labrador.

The Central Region is also responsible for some centralized TRO services and regulated utility services including: safety and environment field support for TRO; voice and data network services; and transportation services, which includes fleet and air services contract management. This centralized responsibility reduces administration cost and ensures consistent standards. TRO also has responsibilities for the interconnected diesel plants, gas turbines at Hardwoods, Stephenville and Happy Valley-Goose Bay, as well as the Roddickton mini-hydro plant on the Great Northern Peninsula. These generating facilities were assigned to TRO to utilize the skilled personnel available in the areas for operation and maintenance.

2.1.3 System Operations and Customer Service

System Operations, through the Energy Control Centre ("ECC"), manages the operation of the Island and Labrador Interconnected Systems. The ECC is a technologically sophisticated operation which dispatches generation in the most economic means possible, and controls the operation of transmission lines to ensure reliable power delivery to customer delivery points, taking into consideration hydrology, weather, planned outages and contingencies. As well,

the ECC has distribution feeder control where communication facilities exist, and maintains control over most hydraulic structures for reservoir and water management purposes.

The engineering staff of System Operations specialize in hydroelectric and thermal generation scheduling using a variety of computer simulation tools to model the interaction of the various reservoir influences and storage characteristics of Hydro's extensive system. It also has the responsibility for:

- Assessing and reporting on the performance of the power system in areas of reliability, efficiency and some environmental aspects;
- Scheduling major equipment outages on the power system to enable effective completion of system maintenance and capital upgrades while maintaining a secure energy supply to customers;
- Providing engineering support to the ECC as required for complex system issues, major system disturbances and the introduction of new system procedures;
- Forecasting thermal plant fuel requirements and power purchase expenses; and
- Communicating directly with Industrial Customers and Newfoundland Power ("NP") to coordinate outage planning, switching coordination, power delivery arrangements and general customer service matters.

This department also leads Hydro's customer service responsibilities for Rural Customers. The specific responsibilities of the Customer Service department are:

- Communication with Rural Customers related to account enquiries, service requests and outage reporting;
- Contribution in Aid of Construction calculations;

- Assessment and response for Rural Customer damage claims;
- Meter reading, billing and collections for customers;
- Metering shop services; and
- Delivery of the Hydrowise program to inform and assist customers in the efficient use of electricity.

2.2 Engineering Services Division

The Engineering Services division consolidates the engineering functions of regulated utility operations to provide full and comprehensive engineering services.

The Engineering Services division consists of separate departments for Civil, Electrical, Mechanical, Telecontrol, Protection and Control, Transmission and Distribution Engineering and System Planning as indicated in Schedule II-B. The Engineering division is responsible for both major operating and capital projects from concept to final implementation.

Engineering Services includes operations maintenance support and project design and management. In particular, the Engineering division performs the following functions:

- Manages all aspects of the Corporation's capital and operating projects from initiation to completion;
- Develops and maintains engineering design and quality control standards;
- Conducts system performance analysis for transient stability, fault, voltage and current levels in the analysis of system events and establishes protection and control philosophy for the generation, transmission and distribution systems;
- Undertakes feasibility studies for new generation plant;

- Provides legal survey and drafting services, and manages the corporate database for all land holdings, property acquisitions and easements;
- Manages the engineering aspects of Hydro's Dam Safety Program and participates in the Canadian Dam Association; and
- Collaborates with operational areas in the investigation of maintenance issues and practices.

System Planning

The System Planning department is responsible for:

- Preparing operational and long-term planning load forecasts for interconnected and isolated power systems which are used to assess and ensure facilities are available to serve the provincial electricity requirements;
- Planning all new generation, transmission, and distribution facilities required to address the forecast growth in power and energy requirements on the Island and Labrador Interconnected and the Isolated Rural Systems;
- Completing economic evaluation of alternatives and recommending modification or expansion, and completing system studies such as load flow, stability, and short circuit analysis; and
- Preparing thermal fuel price projections for use in planning and budgeting and also providing operational support such as system studies, recommendations on system design capability and other technical matters.

2.3 Finance Division

The 2005 restructuring of Hydro led to three support functions being moved to the Finance division: Supply Chain Management, Information Systems and Corporate Planning. They joined the functions of: Finance, Rates and Financial Planning, and Risk and Insurance as indicated in Schedule II-C. A brief description of the major functions follows:

- Rates and Financial Planning provides financial planning analyses for Hydro and carries out the cost of service and rate design functions;
- Risk and Insurance secures insurance coverage for Hydro's operations and coordinates other risk management activities;
- Finance provides financial reporting, treasury, general accounting, asset accounting and tax services;
- Supply Chain Management provides material and service procurement and inventory management services;
- Information Systems provides information technology services for the various applications required to effectively operate in today's environment including the Energy Management System; and
- Corporate Planning coordinates the corporate strategic planning efforts and associated performance measurement, as well as coordination of corporate benchmarking initiatives.

2.4 Human Resources and Organizational Effectiveness

The 2005 restructuring also resulted in changes affecting the Human Resources area. The functions of Safety and Health, Environment Services, Human Resources and Labour Relations have been consolidated into one division and an Organizational Development position has been added, as indicated in Schedule II-D.

A brief description of the major functions follows:

- Safety and Health provides corporate safety and wellness services to all areas of regulated operations;
- Environment Services provides advice on all environmental aspects of operating and capital work, including oversight of the Environmental Management System to regulated operations;
- Human Resources provides services including: recruitment, selection, training and payroll and benefits administration to regulated operations;
- Labour Relations is responsible for providing oversight and advice on collective agreements with IBEW, as well as related negotiations; and
- Organizational Development is responsible for development of programs and promotions across the organization that foster organizational excellence.

3. OPERATIONAL EXCELLENCE

Regulated activities are focused on delivering value to the electricity consumers of Newfoundland and Labrador through operational excellence. This involves the management of a multitude of factors and issues.

3.1 Safety and Health

Hydro has safety as its top priority for employees and the general public. The Company has renewed its efforts to educate its workforce about the importance of safety in day-to-day operations with a focus on reducing injuries on the job. This will benefit Hydro's employees and consumers with a reduction in lost time incidents. The Company will also continue to invest in the appropriate tools and equipment to ensure that employees are able to do their jobs in a manner which is productive and safe.

Proper management of employee safety and reduction in incidents and injuries can also lower insurance costs and improve productivity. Hydro received a rebate on its workers' compensation premiums for 2005 and has implemented a safe return to work policy dedicated to assisting workers' faster return to work, sometimes on limited duty. Although early in its implementation, the Company is already seeing the benefits of this policy and program in its lost time indicators. Hydro also has a wellness program and, in response to an increased incidence of musculoskeletal injuries in certain jobs, has implemented a fitness program for lineworkers and operators to improve their fitness levels and reduce their injuries and lost time.

Hydro is also focusing on contractors by requiring them to have appropriate certifications and to meet Company and legislated standards.

3.2 Workforce Demographics

The average age and years of service of Hydro's workforce have continued to climb. In 2006, the average age is 47 and by the end of 2007, 12% of the permanent employees (92 people) will become eligible for retirement. Over the next five years, 206 employees or 27% will become eligible.

Over the past three years, there has been a reduction of 53 positions in the full-time complement of Hydro's regulated activities, reaching a baseline, without compromising safety or reliability. There have been other full-time equivalent ("FTE") positions reallocated to other areas based on work requirements. For example, Hydro faces continuing pressure from external agencies for data monitoring and reporting, some of which can be accomplished through technology but others require additional personnel. Hydro has taken advantage of attrition opportunities and reallocated resources to meet these requirements. In particular, at the Holyrood Thermal Generating Station, Hydro has reallocated resources to meet increasing environmental reporting obligations without an increase in complement.

Hydro currently faces challenges recruiting for its remote areas of operation and is exploring options for attracting candidates to the areas and/or conducting targeted recruitment and training in the local areas. As the rural Newfoundland and Labrador population continues to decline, increasing pressure is present for recruitment and retention balanced against maintaining costs in these areas.

With an anticipated shortage of workers in the trades and technical fields, Hydro also faces a competitive environment for the recruitment and retention of trades workers, lineworkers and electrical and mechanical maintenance workers. It is critical that the Company be able to provide competitive salaries and benefits packages to these workers, as well as other intangible benefits to ensure it has a skilled and motivated workforce. Hydro is presently engaged in long-term

succession and human resource planning and an increased focus on our employees, supporting one of our corporate strategic goals.

Increased labour costs are one of the components of this Application meant to address this concern. For example, in 2007, without a wage increase, Hydro's lineworkers will be making up to 13% less per hour than the Atlantic Canadian average and NP's lineworkers. The Company has already lost several lineworkers, trades persons and engineers over the past year as a result of a non-competitive wage package and, in some cases, work location.

3.3 Continued Cost Management and Operational Efficiency

Hydro is focused on finding efficiencies to manage the cost of electricity to consumers, while ensuring the safe, reliable operation of its assets. Some of these initiatives are covered in this section. At the Holyrood Thermal Generating Station, a Continuous Emissions Monitoring System has been installed which, along with characterizing emissions, allows operators to provide more control over combustion, leading to efficiencies in operations. The plant has made a significant number of changes aimed at gaining operational efficiencies, which include: an upgrade of boiler and turbine control systems resulting in new control strategies to optimize boiler and turbine operations and the reduction of auxiliary power resulting in less fuel used to meet internal requirements.

From a workforce management perspective, several technology-based tools have been implemented over the past number of years resulting in time savings and more efficient operations including the automation of employee timesheets and travel claims.

Supply Chain Management has also used Hydro's Internet web site to improve the tender process. The number of calls and e-mails from vendors has been reduced because vendors have direct access to most tender information on the site.

A common focus throughout regulated activities in the past number of years has been on achieving excellence in the areas of planning and scheduling of maintenance work to allow frontline supervisors to spend more time in the field, allowing better utilization of the workforce, providing experienced guidance and tighter control of the work activities, as well as increasing the focus on safety. This includes a work execution process to aid in better planning of the various work orders required to maintain the overall electrical system. There has also been an extensive review of the outage management process to focus on scheduling major equipment outages such that work is done concurrently resulting in a reduced number of outages. For example, during a scheduled outage at Cat Arm, work associated with Cat Arm generators, the power transformer, the transmission line and communications are scheduled concurrently as far as possible.

Hydro has over 100 aging power transformers and analyzes transformer oil regularly to ensure equipment reliability. In 2005, the Company purchased transformer oil regeneration equipment and it is estimated that conducting this work in-house will save the Company $1.2 million over a 10-year period and contribute to less in-service failures.

Hydro also saves approximately $150,000 annually due to changes as a result of a telephone and network services review. As the Board is aware, the Company has a collaboration with the provincial Department of Transportation and Works on the mobile radio system, resulting in a contribution to Hydro of $3.5 million towards the capital cost of the system.

To operate in remote areas and cover a large geographic territory often requires the use of helicopters for emergency and occasionally, maintenance work. The cost of using helicopters has increased significantly since the last GRA. As a result, Hydro's field operations have reduced the usage of helicopters with operational changes and increased reliance on available commercial flights while still maintaining service and reliability.

3.4 Reliability and Capital Investment with an Aging Asset Base

Concerns about the aging infrastructure for the electrical supply to consumers and industry continue to command considerable attention throughout the electricity industry. The long-term solutions to these concerns are complex and evolving but best practices are developing in maintenance tactics and asset replacement versus life extension. Hydro, like other utilities, is faced with the challenge of extracting full value from the asset prior to capital replacement. The Company's approach to date has been to study the alternatives and take a sound course of action supported by evidence and best practice. The overriding principle in these decisions is to ensure that the customer benefits from the decision from both a cost and reliability perspective. Hydro anticipates increased investment will be required, both operating and capital, into the future. It will continue to apply the same level of analysis to any investment decision and is currently expanding capital justification principles to major operating projects. Hydro believes the increase in reliability on the bulk transmission system is the result of the appropriate mix of maintenance and replacement.

3.5 Air Emissions and Climate Change

Hydro's most significant environmental challenge relates to the use of No. 6 fuel oil at the Holyrood thermal generating plant, and the resultant air emissions. The plant met the design standards existing when constructed in the 1960's. Much has been done to contain and treat water, solid waste, and noise emissions; however, air emissions continue to be of concern. If the plant were built today, it would have considerably more environmental control or capture equipment installed as part of its permit to operate. However, due to the age of the plant, Hydro must consider the remaining life of the facility, as well as other fuel or supply options that may be on the horizon before making major capital investments. The plant remains a focus of attention for the Provincial Department of Environment and Conservation ("DOEC") and surrounding communities.

Following the release of the results of the Cantox Human Health Risk Assessment, which determined there were short-term health impacts to some residents based on plant operations, DOEC consulted with Hydro as to the issuance of a revised Certificate of Approval for the Holyrood plant. It is anticipated that a revised Certificate of Approval, to be issued in the near future, will set out the parameters that Hydro will have to meet in order to operate the fossil-fuel fired plant. The revision is in response to health issues related to the use of 2% sulphur fuel and will mandate the use of fuel with a sulphur content of not greater than 1% at Holyrood, therefore the cost of 1% sulphur fuel is included in this Application.

This Certificate of Approval will allow Hydro to reserve major capital investment decisions as to environmental control or capture equipment until further assessment work is done on the plant and more details are available on the potential for natural gas as a fuel source or a Direct Current infeed from Labrador.

Other considerations in the management of air emissions from the Holyrood Thermal Generating Station are the complex issues around climate change and the potential implications. The anticipated action by Canada to address effective greenhouse gas emission reduction has the potential to be a significant cost issue for Hydro. The Holyrood Thermal Generating Station is considered a large final emitter in the context of the Kyoto Accord. As such, if Canada continues to support the Kyoto Accord, the Company will be required to take action to effect global greenhouse gas reductions. Hydro has been monitoring the Federal Government's actions and decisions on this file, and is working through industry associations, as well as through provincial counterparts on this issue.

The exact implementation measures have not been settled; however, it is expected the cost of compliance could be in the range of $1 to $10 million annually during the first compliance period 2008 - 2012. There are no Kyoto-related costs in the 2007 revenue requirement due to the uncertainty of how it will

be applied. Once the governing rules and regulations are defined, Hydro will seek an appropriate treatment of such related cost.

Hydro also has air emissions issues to manage with respect to its diesel plants. Under a Certificate of Approval concerning the isolated communities where power is provided by diesel fuel generation plants, DOEC has ordered the Company to begin a pilot monitoring program for nitrous oxide emissions.

3.6 Wind Power

The Province of Newfoundland and Labrador has a world-class wind regime and Hydro is seeking opportunities to incorporate wind generation into the Island Interconnected System. However, wind generation brings with it technical and operating attributes that have to be managed, such as daily fluctuations in wind, and thus production variability, as well as the non-dispatchable nature of its output. Hydro, as system operator, must maintain acceptable system voltages and frequency in all credible operating scenarios, and the isolated nature of the Island grid system establishes limits on the amount of wind energy that can eventually be integrated into the grid system in a technically and economically prudent manner.

A competitive Request For Proposal ("RFP") was issued for 25 MW of cost-effective wind generation that is expected to be in service in 2008. In addition to the energy received from the project, it will also provide the Company with the necessary technical and operating experience to better assess the technology and its overall integration into the Island Interconnected System and further define the opportunities for wind as a viable portion of future generation for the Island.

For isolated diesel systems, Hydro has entered into a power purchase agreement for wind power at Ramea. It has proven to be a useful exercise in understanding the technical aspects of integrating wind into the diesel systems. Hydro does view wind over the long term as one way to implement more

renewable resources to help reduce overall emissions, particularly at Holyrood, and as a possible means to help meet any future greenhouse gas reduction targets. It is important that we exploit this resource in so far as technically and economically feasible both on the interconnected and isolated systems.

3.7 Conservation

As energy prices escalate across North America, energy conservation is taking on even more importance as a tool for consumers to manage their own energy usage. A recent study of Demand Side Management Potential in Canada[2] for the Canadian Gas Association and the Canadian Electricity Association identified that, depending on the policy instruments in place, a three to ten percent reduction in total energy demand in Canada by 2025 is possible. To assist consumers in this Province, Hydro will substantially increase its activities to encourage consumers to take action to conserve energy. To date, Hydro's focus has been on its Hydrowise program for its domestic and general service customers. In 2005, the Company piloted a conservation school program in the Bay d'Espoir area which was met with very positive response from the school, teachers, students and parents. The Hydrowise School Pilot Program received an Award of Excellence from the International Association of Business Communicators of NL, in the community relations category.

Hydro intends to work more closely with partners including NP, the provincial government, and other stakeholders to develop a coordinated approach for conservation education and initiatives for the Province.

To support this initiative, Hydro will have an employee whose sole focus is energy conservation. The Energy Conservation Program Manager will develop programs, in consultation with partners, to bring about change in energy consumption. To start and steward progress in this area, Hydro has included

[2] "Demand Side Management Potential in Canada: Energy Efficiency Study" by Marbek Resource Consultants Ltd. and M.K. Jaccard and Associates, Inc., May 2006.

$500,000 in its 2007 operation and maintenance expense budget, in addition to $100,000 for the Hydrowise program for energy conservation.

4. REGULATED ACTIVITIES

This section provides an overview of the costs related to regulated activities. Hydro operates an interconnected electrical system on the Island portion of the Province, comprising generation, transmission and distribution systems and provides approximately 80% of the Island Interconnected power and energy needs.

In Labrador, Hydro purchases the majority of its power and energy needs from a subsidiary company, Churchill Falls (Labrador) Corporation ("CF(L)Co"), operates a 138 kV line to Happy Valley-Goose Bay and provides distribution and related services on the Labrador Interconnected System. In rural coastal areas of the Province, Hydro owns and operates 21 isolated diesel systems and provides distribution services in those communities.

4.1 Operating Expense Overview

Schedule I provides actual operation costs from 2002 to 2005 and forecasts for 2006 and 2007 by major area within regulated activities. Over the period from 2002 to 2007 the increase is 4.6% or 0.9% per year. When amortization of deferred regulatory costs and major extraordinary expenses is included the annual increase is 1.4%.

Increases in all operating expenses have been held below inflation, which for this period is approximately 12.3% or 2.4% per year. When costs change at rates significantly below inflation, the real (inflation-adjusted) cost declines, reflecting improved corporate performance.

Normal Operating Expense ($millions)

	2002	2007	Change	% Change/yr
Total	$88.3	$92.4	$4.1	0.9%

4.2 Generation

Hydro has two primary sources of generation on the Island Interconnected System: thermal and hydraulic plant. This section provides an overview of generation costs related to Schedule I, which provides the Company's historical financial results from 2002 to 2005 and forecast results for 2006 and 2007.

Thermal Plant

For thermal plant reliability, the control system for the Holyrood plant has been replaced. As well, some key infrastructure such as stack liners, intake screens and exciters have been replaced. The plant has also been conducting fuel additive trials in an effort to increase unit efficiency. A significant process review was undertaken of Hydro's steam turbine overhaul strategy. This resulted in the Company adjusting the major overhaul interval for the steam turbines from six years to nine years, saving considerable maintenance expense, and increasing the overall unit availability while still ensuring reliability on the units.

Hydraulic Plant

Hydro's major generation is located on the Island Interconnected System. In recent years, the Company has undertaken several projects to ensure continued reliability of its hydraulic plant. This is not unexpected as the age of the hydraulic plant is reaching a point where considerable expense can be anticipated to ensure continued reliability. These include updating a vibration monitoring system, replacement of key equipment such as exciters, gate mechanisms and valve controls, and significant dyke and dam work such as the slope stabilization project on the Upper Salmon Power Canal.

Hydro's generation operating expenses for 2002 and 2007 are:

Generation Operating Expense ($millions)

	2002	2007	Change	% Change/yr
Thermal Generation	$14.1	$17.3	$3.2	4.2%
Hydro Generation	$7.3	$8.1	$0.8	2.1%

These costs are primarily driven by an increase in maintenance at the Holyrood plant due to a scheduled major overhaul of Unit 3 in 2007 at a budgeted cost of $2.7 million.

Where possible, Hydro's cost management approach optimizes automation and labour. For instance, Granite Canal, a remotely-operated plant, was added to the system in 2003, with no significant increase in operating and maintenance expense. As well, the Company contracts out the operation of the Snook's Arm and Venam's Bight plants and now operates the Paradise River plant from Bay d'Espoir with no daily operator presence.

4.3 System Operations and Customer Service

Costs for System Operations and Customer Service have increased by 18.3% or 3.4% per year over the five-year period. This increase is primarily a result of the additional investment of $500,000 for an enhanced energy conservation initiative. Without this investment, the increase would have been 1.3% per year. However, success in the area of conservation can influence overall energy needs and, in Hydro's case, displace fuel.

System Operations and Customer Service Operating Expense ($millions)

	2002	2007	Change	% Change/yr
System Operations & CS	$4.3	$5.1	$0.8	3.4%

4.4 Transmission and Distribution

The responsibility for the maintenance of the transmission and distribution systems, and the operation of 21 isolated diesel systems, rests with TRO. In

recent years, Hydro has completed a number of projects to address reliability objectives for transmission lines. These include the ongoing replacement of the problematic Canadian Ohio Brass insulators, upgrading of transmission plant in known problem areas, and the replacement of deteriorated wooden poles. The Company has also carried out a number of projects and initiatives in terminal stations to help ensure continued reliability of the bulk electrical system.

TRO Operating Expense ($millions)

	2002	2007	Change	% Change/yr
TRO	$33.5	$31.2	($2.3)	(1.4%)

Operating expenses for TRO are forecast to decline over the 2002 to 2007 period. To manage costs on its diesel systems, Hydro undertook a detailed maintenance review and determined that the overhaul period for diesel engines could be increased from 15,000 hours to 20,000 hours. This has resulted in decreased costs and sustained levels of reliability to consumers.

4.5 Corporate Services

Hydro's corporate services functions include Engineering, Finance, Human Resources, and Leadership. These functions provide the necessary support to the core business of regulated operations.

Hydro's corporate services expenses are projected to increase by approximately 1% annually from 2002 to 2007, well below inflation.

Corporate Services Operating Expense ($millions)

	2002	2007	Change	% Change/yr
Total	$32.0	$33.6	$1.6	1.0%

5. LOAD FORECASTS AND NEW POWER SUPPLY

The 2006 and 2007 load forecasts used in this submission were prepared in the same manner as in previous submissions to the Board. They reflect a combination of direct input from Industrial Customers and NP and Hydro's analysis for interconnected and isolated systems. The total load requirement is determined from an analysis of overall system losses and demand diversity.

5.1 Island Interconnected Load Forecast

The 2004 Test Year load forecast, along with the actual power and energy requirements for the Island Interconnected System for 2004 and 2005, and the operating load forecast for 2006 and 2007, are provided in Schedule III. Table 1 below presents the annual changes in Hydro's electricity requirements for that period.

Table 1

Summary of Changes in Electricity Requirements 2004 to 2007 Island Interconnected System (GWh)

	2004 Test Year	Change in 2005	Change in 2006	Change in 2007	2007 Test Year
Total Island Interconnected	6,759.8	(245.3)	(291.2)	266.3	6,489.6
NP	4,772.7	(108.6)	129.3	170.6	4,964.0
ACI Stephenville	515.2	(62.6)	(444.5)	(2.4)	5.7
Other Industrial	850.6	(11.8)	2.3	83.4	924.5
Other	621.3	(62.3)	21.7	14.7	595.4

In 2005, electricity requirements on the Island Interconnected System declined by 3.6% relative to the 2004 Test Year primarily because of warmer weather patterns and the closure of the Abitibi Consolidated Inc. ("ACI") Stephenville newsprint mill in October 2005. The operating forecast for 2006 reflects the

annual impact of the newsprint mill's closure on Island electricity requirements, actual warmer weather temperatures up to April and normal weather thereafter.

In the fall of 2006, Hydro expects that Aur Resources Inc. ("AUR") will transition from a development to an operational mode for its base metal mine.

For 2007, Hydro is forecasting Island Interconnected electricity requirements to grow by 4.3% over 2006. This load growth reflects the weather-normalized level of utility load requirements combined with a full operational year for AUR. Owing in part to the closure of the newsprint mill at Stephenville, the Island's electricity requirements in 2007 are expected to be 4.0% below the 2004 Test Year requirements. Customer peak demand requirements exhibit the same general growth pattern as their energy requirements. The decline in peak requirements from 2004 to 2005 was caused by a decline in NP demand due to the peak day weather being less severe than 2004. Through to 2007, the decline in peak demand caused by the closure of the newsprint mill at Stephenville is expected to be somewhat offset by growth in the weather normalized peak demand of NP, plus the addition of AUR to the Industrial Customer base.

5.2 Labrador Interconnected Load Forecast

Schedule IV presents the 2004 Test Year load forecast, the actual power and energy requirements for the Labrador Interconnected System for 2004 and 2005, along with the operating load forecast for 2006 and 2007. Table 2 below presents the changes in Hydro's electricity requirements for that period.

Table 2

Summary of Changes in Electricity Requirements 2004 to 2007 Labrador Interconnected System (GWh)

	2004 Test Year	Change in 2005	Change in 2006	Change in 2007	2007 Test Year
Total Labrador Interconnected	960.3	(0.7)	(28.1)	79.5	1,011.0
Hydro Rural	502.2	(27.5)	8.1	22.7	505.5
CFB Goose Bay	75.1	2.2	(4.2)	4.3	77.4
IOC	269.9	46.4	(38.6)	34.8	312.5
Other	113.1	(21.8)	6.6	17.7	115.6

Hydro's overall electricity supply for the Labrador Interconnected System in 2005 was in line with the 2004 Test Year, notwithstanding higher production levels at the Iron Ore Company of Canada ("IOC"). The apparent decline in Hydro rural requirements in Labrador East and West in 2005 can be largely explained by warmer overall weather patterns in an area with a high concentration of electric space heating.

In 2006, the total electricity requirements for the region are forecast to be 2.9% lower than in 2005 owing to a continued pattern of warm winter weather coupled with some temporary production-related problems at IOC.

For 2007, Hydro's operating load forecast for the Labrador Interconnected System increased by 5.3% from the 2004 Test Year, and reflects normalized weather and electric space heating loads, sustained production levels for the local iron ore industry and modest underlying growth in rural loads. By 2007, Hydro expects the electricity requirements for the Labrador system to exceed 1,000 GWh for the first time.

5.3 Isolated Diesel Systems Load Forecasts

Schedule V presents the 2004 Test Year load forecast, the actual power and energy requirements for Hydro's isolated systems for 2004 and 2005, along with the operating load forecast for 2006 and 2007. Table 3 below presents the changes in Hydro's electricity requirements for that period.

Table 3

Summary of Changes in Electricity Requirements 2004 to 2007 Isolated Diesel Systems (GWh)

	2004 Test Year	Change in 2005	Change in 2006	Change in 2007	2007 Test Year
Total Isolated	67.9	(8.0)	0.6	7.3	67.8
Labrador Diesel	52.8	(2.4)	1.2	1.0	52.6
Natuashish	4.7	(4.6)	-	6.6	6.6
Rencontre East	1.0	(0.2)	(0.6)	(0.3)	0.0
Island Diesel	9.4	(0.8)	-	-	8.6

Electricity production across the Labrador Isolated diesel systems was lower in 2005 relative to the 2004 Test Year by 12.2%, primarily due to a delay in formally integrating Natuashish into Hydro's operations. There was also an underlying decline in sales as a result of a poor operating year for the fishery sector and overall warmer weather.

Hydro's electricity supply operations for Davis Inlet were formally terminated early in 2006. For Natuashish, an operating agreement is assumed to be in place for 2007 and beyond to integrate electricity operations directly into Hydro, and a portion of Hydro's operating cost of Natuashish is forecast to be offset by a contribution from the Federal Government. The inclusion of Natuashish is the primary driver of the increase in projected isolated load in 2007. The underlying load growth trend for many Labrador Isolated diesel systems continues to be positive.

Across the Island Isolated diesel systems, electricity production dropped sharply in 2005 by 9.3% relative to the 2004 Test Year. Most of this decrease can be attributed to a weak operating year for the seafood processing plant located on Little Bay Islands. Generally, warmer weather on the Island during 2005 also contributed to a decline in electricity production across all systems.

The community of Rencontre East was interconnected in May 2006 and the Island's isolated electricity production across 2006 and 2007 will continue to decline as the full effect of the interconnection occurs. There is a declining load trend for most diesel systems on the Island due to declining population.

5.4 New Power Supply

In order to ensure the future capacity and energy requirements of the Island Interconnected System are met in a reliable and cost effective manner, Hydro regularly prepares long-term load forecasts for the provincial power grids and maintains a portfolio of projects with various levels of engineering feasibility.

The Company's assessment on the timing for the requirement for new investment for the Island Interconnected power supply and associated facilities is based on previously established generation planning criteria. These criteria set the minimum level for reserve capacity and firm energy to ensure an adequate power supply to meet the grid's firm load requirements. These criteria are:

Energy: The Island Interconnected System should have sufficient generating capability to supply all of its firm energy requirements with firm system capability.

Capacity: The Island Interconnected System should have sufficient generating capacity to satisfy a Loss of Load Hours ("LOLH") expectation target of not more than 2.8 hours per year.

For the Labrador Interconnected System, its firm requirements are compared with the 300 MW block of recalled power and associated energy.

5.4.1 Island Interconnected System

Table 4 presents the long term planning load forecast and energy balances for the Island Interconnected grid through to 2015. The load forecast reflects the current longer-term view for the economy and incorporates the impact of the closure of the ACI newsprint operation at Stephenville.

The existing system capacity has been adjusted to reflect the most recent capacity values provided by NP for their generating units. There has been a total reduction in their capacity by 9.9 MW consisting of a 2.5 MW reduction in hydraulic generation and a 7.4 MW reduction in thermal generation. The system firm capability has also been adjusted to reflect a 115 GWh increase in Hydro's hydraulic plants' capability. The change in firm capability is the result of the adjusted hydrology and the use of a new integrated system model which is able to determine a system firm capability. Previous values were the results of the sum of individual firm values provided by the design consultants of each facility. Further details concerning the change in hydrology and discussion of the model are provided in Section 7.

The loss of the ACI Stephenville load from the Island's grid and the changes in capacity result in delays in the expected requirement for new power sources until the 2012/2013 timeframe. This is also the general timeframe when a large industrial load is forecast to start up on the Island, processing nickel concentrate from Labrador.

Table 4

Island Interconnected System
Load Forecast and Capacity and Energy Balances

	Load Forecast		Existing System			
Year	Peak MW	Energy GWh	Net Capacity MW	Firm Capability GWh	LOLH hrs/yr	Energy Balance (GWh)
2006	1,563	8,079	1,907	8,821	0.5	742
2007	1,569	8,150	1,907	8,821	0.6	671
2008	1,583	8,196	1,907	8,821	0.8	625
2009	1,595	8,322	1,907	8,821	1.0	499
2010	1,615	8,426	1,907	8,821	1.5	395
2011	1,635	8,501	1,907	8,821	2.0	320
2012	1,684	8,775	1,907	8,821	***4.5***	46
2013	1,698	8,857	1,907	8,821	5.8	***(36)***
2014	1,705	8,956	1,907	8,821	6.9	(135)
2015	1,710	8,969	1,907	8,821	7.4	(148)

To address future supply requirements, Hydro may invest in its own power supply options or access resources by others through a competitive bidding process. Based on the energy and capacity balances presented above, Hydro would normally plan to add additional power supply capability to the Island Interconnected grid by 2012.

An RFP for 25 MW of Wind Generation was issued in late 2005. This new capability, expected to commence in 2008, is not reflected in the energy and capacity balances presented in Table 4, as the project is not yet committed contractually. Hydro expects that the purchase price for wind energy will be comparable with the marginal costs of electricity at Hydro's Holyrood thermal plant and this was a criteria set in the RFP. Hydro anticipates that the energy production from the wind project will likely be in the range of 90 to 105 GWh per year. This potential wind purchase is not included in the 2007 Test Year because neither a power purchase agreement nor production timing has been negotiated.

5.4.2 Labrador Interconnected System

Table 5 presents the load forecast for Hydro's power supply to the Labrador Interconnected grid through to the year 2015. Hydro supplies the firm and secondary load requirements of the Labrador Interconnected grid with its purchased 300 MW block of recall power and energy from CF(L)Co. Energy that is surplus to the requirements on the Labrador Interconnected System is currently exported from the Province under short-term (five year) delivery arrangements.

Table 5

Labrador Interconnected System
Load Forecast and Available Surplus

	Forecast		NLH Recall		Surplus	
Year	MW	GWh	MW	GWh	MW	GWh
2006	191	932	300	2,362	109	1,430
2007	192	1,011	300	2,362	108	1,351
2008	193	1,015	300	2,362	107	1,347
2009	194	1,021	300	2,362	106	1,341
2010	196	1,027	300	2,362	104	1,335
2011	198	1,025	300	2,362	102	1,337
2012	199	1,031	300	2,362	101	1,331
2013	201	1,037	300	2,362	99	1,325
2014	202	1,043	300	2,362	98	1,319
2015	203	1,049	300	2,362	97	1,313

Under the existing trends in load growth, the Company's recall capability will satisfy the firm and secondary load requirements of the Labrador Interconnected grid well into the future. However, the potential for additional industrial and related load growth in Labrador East or West continues to exist and, in such an event, new investment in transmission lines would likely have to be undertaken.

5.4.3 Changes in Island System Reserve and NP Generation Credit

As a result of the changes noted above for the Island Interconnected System load, the reserve on the system has changed from 16% to 15%. When applied to NP's revised generation capacity, the NP generation credit becomes 117.93 MW. The applicability of the credit is discussed in the Cost of Service evidence.

6. ENERGY SUPPLY EXPENSES

6.1 Island Interconnected System

The energy supply sources and fuel expenses for 2004, 2005 and the forecast for the 2004 Test Year, 2006 and 2007 are summarized in Schedule VI.

Hydraulic production in 2004 and 2005 was above the 2004 Test Year forecast of 4,582 GWh by 144 and 187 GWh, respectively, due to above average inflows in both years. The forecast for 2006 is based on actual hydraulic production to the end of April with a forecast for the remainder of the year based on average inflows and a drawdown of the reservoirs towards the year-end target storage levels. This results in an annual hydraulic production forecast of 4,783 GWh, 201 GWh above the 2004 forecast used to establish existing rates.

Hydraulic production for 2007 is forecast to be 4,472 GWh. This is the average expected production for 2007 determined using the methodology ordered in Order No. P.U. 14 (2004). Further explanation of the methodology is provided in Section 7 of this evidence.

Energy purchases in 2004 and 2005 were above the 2004 forecast of 394 GWh by 19 and 29 GWh, respectively. The forecast for 2006, with actual purchases to the end of April, is 417 GWh. The forecast for 2007 is 415 GWh based on historic average data for Star Lake and Rattle Brook, and supplier estimates for the Corner Brook Pulp and Paper Co-Generation and the Exploits River projects. Included in 2006 and 2007 are secondary purchases from ACI that, in the past, were wheeled to its Stephenville mill. The purchase cost from these sources in 2007 is forecast to increase to $33.2 million from $31.3 million in 2004 actuals. These increases result from prices tied to fuel costs, prices that escalate according to the Consumer Price Index, and from increases in energy quantities purchased.

The suppliers and related expenses for power purchases are presented in Schedule VII.

The Holyrood Thermal Generating Station meets the energy supply requirements beyond Hydro's hydraulic production and energy purchases. The primary factors affecting the plant's fuel expense are its production level, fuel to energy conversion rate and the fuel purchase price. These factors for 2004 to 2007 are provided in Schedule VI.

Energy production from the Holyrood Thermal Generating Station in 2004 and 2005 was 1,648 and 1,329 GWh, respectively. The forecasts for 2006 and 2007 are 1,024 and 1,600 GWh, respectively. The variances from the 2004 Test Year are due to load, purchases, hydraulic production, and efficiency variances.

The actual energy conversion factors for 2004 and 2005 were 632 kWh/bbl and 622 kWh/bbl, respectively. The decline in 2005 is due to lower production requirements as a result of reduced load and high hydraulic production late in 2005. The conversion factor to the end of April 2006 is 599 kWh/bbl and with 630 kWh/bbl assumed for the remainder of 2006, the 2006 conversion factor is forecast to be 617 kWh/bbl. A conversion factor of 630 kWh/bbl is assumed for 2007 to reflect Order No. P.U. 14 (2004).

The actual average fuel prices for 2004 and 2005 were $30.79 and $42.65 /bbl, respectively. The 2006 and 2007 forecast weighted average purchase prices are $55.88 and $55.91/bbl, respectively. The forecast price for 2007 assumes 1% sulphur content. The 2004 and 2005 prices were for 2.2% and 2.0% sulphur content, respectively. The detailed monthly actual and forecast purchase prices are provided in Schedule VIII. The forecast prices are based on the May 2006 forecast of PIRA Energy Group, Hydro's advisor in this area.

The total Holyrood fuel expense was $80.8 million in 2004 and is forecast to rise to $142.5 million in 2007, a 76% increase over the three-year period and a 70% increase from the 2004 Test Year.

6.2 Labrador Interconnected System

Essentially all energy consumed on the Labrador Interconnected System is purchased from CF(L)Co. The only exception is when the gas turbine and diesel generation in Happy Valley are operated for Labrador Interconnected outages. The power purchase costs from CF(L)Co were $2.4 million for each of 2004 and 2005. The costs are forecast to be $2.4 million in 2006 and $2.5 million in 2007.

The annual costs for Hydro's share of expenses related to Twin Falls Power Corporation's ("TwinCo") Wabush Terminal Station were $0.2 million and $0.3 million in 2004 and 2005. They are forecast to be $0.4 million in 2006 and $0.6 million in 2007. The increase in expenses in 2007 is due to significant upgrades to TwinCo's synchronous condensers and related equipment totaling $0.8 million. This is a continuation of upgrades begun in 2006. In 2006, this work is forecast to total $0.5 million.

6.3 Isolated Systems

The primary source of power supply for Hydro's isolated systems throughout the Province is diesel generation. The Company has also availed of opportunities to supplement or displace diesel generation where they exist. On the Mary's Harbour and Ramea diesel systems, Hydro purchases electricity from independent generators operating hydro and wind power projects, respectively. On the L'Anse au Loup system, the Company displaces diesel-generated energy by purchasing secondary electricity from a regional Hydro-Québec hydroelectric plant.

Schedule IX presents Hydro's 2004 Test Year budgets, the actual diesel fuel and purchased power expenses for its isolated systems for 2004 and 2005, along with the forecast expenses for 2006 and 2007. Diesel fuel and purchased power expenses increased from $7.5 million in the 2004 Test Year to $10.9 million in 2005 reflecting strong price increases for petroleum products in world markets. Average prices are forecast to continue to rise in 2006, with Hydro's isolated fuel

and purchased power expenses totaling $12.2 million for 2006. In 2007, while the per unit diesel fuel price is forecast to decline slightly, the Company's isolated fuel and purchase power budgets are forecast to increase to $13.5 million because of the addition of Natuashish ($1.5 million).

Hydro continues to explore alternatives for reduction of diesel generation and has taken a leadership role in a pilot project in the community of Ramea. The Company has applied for funding from the Atlantic Innovation Fund to examine the potential for diesel, wind and hydrogen integration in its Ramea diesel system. One challenge of integrating significant wind energy is that all energy cannot be utilized when the resource is available. The hydrogen aspect relates to utilizing this currently unused energy to generate and store hydrogen gas that would then be later used to further reduce diesel fuel consumption by combusting in a modified engine. As Ramea currently has wind and diesel, this is an ideal location to pilot this solution with the possibility of expansion to other diesel systems if it is successful. There are no costs related to this matter included in this Application.

7. HYDROLOGY

In the 2004 Test Year, Hydro prepared the average annual energy production forecast for hydraulic generation facilities using the 30 years of inflows from 1973 to 2002. The use of the "30-year average" was consistent with Order No. P.U. 7 (2002-2003) regarding rates for 2002.

During the 2003 GRA, SGE Acres, on behalf of Hydro, provided expert evidence and testimony that it was appropriate to use the Company's full hydrological record after correction of some minor internal inconsistencies. In addition, SGE Acres recommended that Hydro use a simulation model to determine the average annual energy production capability instead of using the spreadsheet method employed up to that time.

In Order No. P.U. 14 (2004), the Board ordered Hydro to include the full hydrological record in estimating the average annual energy production capability of Hydro's generation facilities for its next rate application. This was contingent on the Company addressing two outstanding issues: correction of internal inconsistencies in the hydrologic data series, and selection of an appropriate computer model for simulation.

7.1 Hydrological Data Series

In its review of the hydrology data set in relation to the 2003 GRA, SGE Acres identified a number of minor inconsistencies in the data set for the Bay d'Espoir river system used for determining the hydroelectric production forecast. In late 2003, SGE Acres was engaged for the purposes of determining the appropriate means of correcting these minor issues, and producing the revised data sets.

Hydro has made the changes recommended by SGE Acres. SGE Acres has reviewed the results and is satisfied that the minor internal inconsistencies are corrected.

Table 6 summarizes, by generating plant, the change in volume of water in the inflow record for the 1950 to 2003 period and the percent change in volume this represents. All adjustments are for the periods prior to the plant coming into operation. Therefore, because Granite Canal went into operation in 2003, no adjustments are required in the record after 2003.

Table 6

Total Volume Adjustments
For Bay d'Espoir System Plants

Plant	Cumulative Inflow Volume Change Million m^3	% Change
Granite Canal	-2,634	-1.9%
Upper Salmon	+3,265	+1.3%
Bay d'Espoir	+3,011	+0.9%

7.2 Selection of an Appropriate Computer Model

The second issue identified in Order No. P.U. 14 (2004) related to the replacement of Hydro's existing spreadsheet-based methodology for determining average hydroelectric production with a simulation-based model methodology. Hydro reviewed its available suite of applications and selected SYSSIM as the preferred tool. SYSSIM was selected because of its ability to incorporate load limitations and its treatment of thermal production.

In 2005, Hydro engaged SGE Acres to review its choice of SYSSIM and to confirm the applicability of the model to the requirement. SGE Acres concluded that SYSSIM was an appropriate choice and that the model was indeed applicable to the determination of average energy capability.

The average energy value provided for the 2007 Test Year in this Application was determined using the adjusted hydrological record and the results from the SYSSIM model.

7.3 Impact of All Changes on Hydraulic Production Forecasts

The hydraulic production forecast for 2007 used in this Application is 4,472 GWh compared with the final 2004 forecast used in the 2004 Test Year of 4,582 GWh. The changes are due to the application of the full hydrological record, minor adjustments in the Bay d'Espoir system hydrological record, inclusion of the 2003 to 2005 inflow record, and the use of the SYSSIM model. The combined impact results in a reduction of the annual average hydroelectric production estimate for 2007 of 110 GWh.

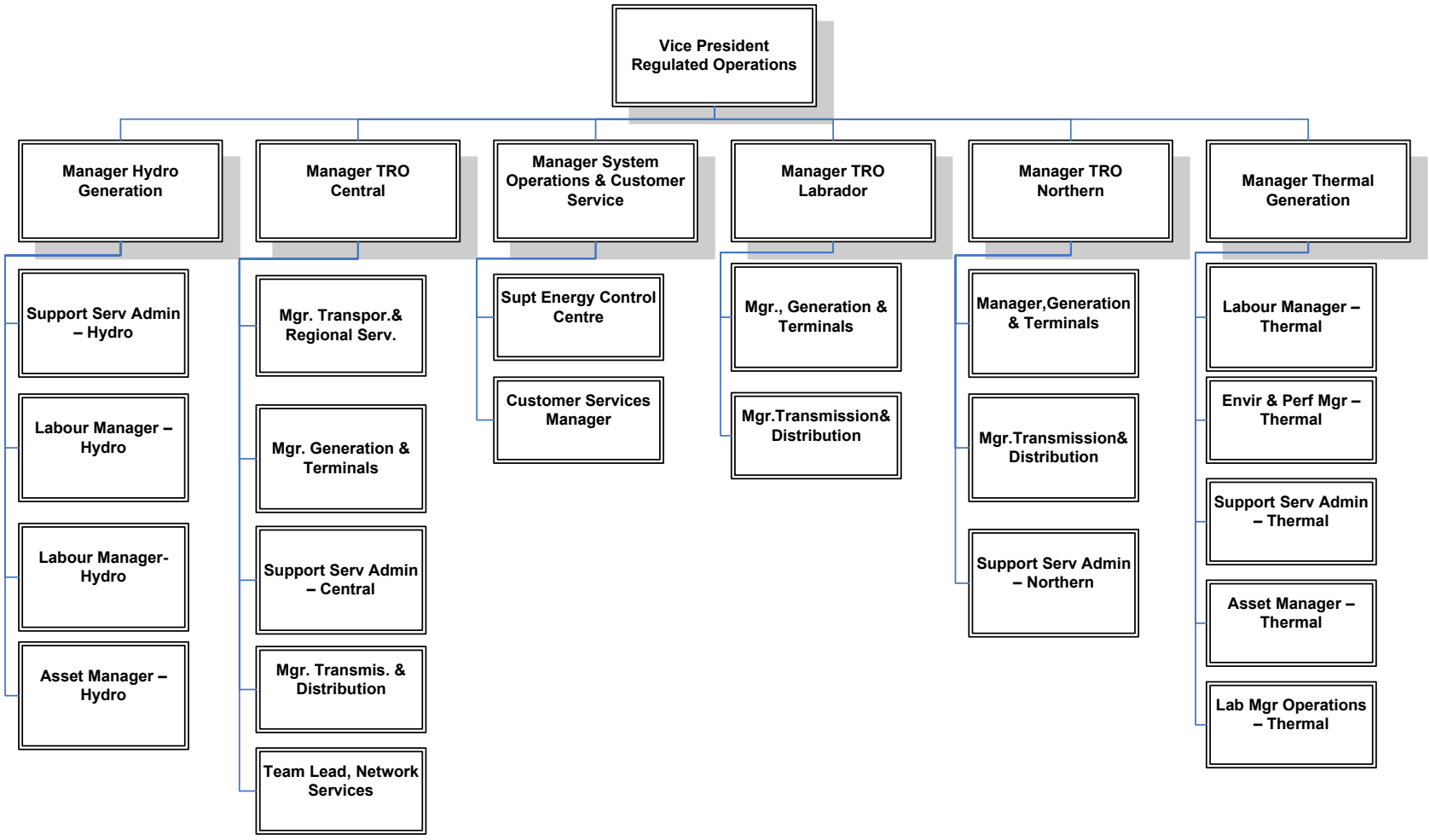
Schedule I
J.R. Haynes

Newfoundland and Labrador Hydro
Operating Expenses by Department 2002-2007
($ thousands)

	Actual				Forecast	
Department	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Thermal Generation	14,083	16,639	15,254	18,129	14,916	17,285
Hydro Generation	7,261	6,883	6,798	7,297	7,540	8,051
Generation	21,344	23,523	22,053	25,425	22,456	25,336
System Operations & Customer Service	4,300	4,012	4,507	4,670	4,430	5,086
Central	21,374	19,815	18,708	18,706	19,765	19,900
Northern	6,037	5,298	5,385	5,126	5,235	5,551
Labrador	6,147	5,464	5,435	6,109	5,818	5,778
Transmission & Distribution	33,559	30,577	29,528	29,941	30,818	31,229
Total Operations	59,202	58,111	56,088	60,037	57,704	61,651
Engineering	3,826	3,626	4,175	4,232	3,803	4,665
Finance	15,417	14,286	13,246	13,596	14,214	13,962
Human Resources & Organizational Effectiveness	9,203	10,353	11,189	10,660	11,669	12,288
Leadership & Associates	3,580	3,423	3,671	3,613	2,899	2,717
General	32,025	31,688	32,280	32,101	32,586	33,632
Allocated to non-regulated customer	(2,914)	(2,914)	(2,778)	(3,114)	(2,619)	(2,897)
Normal Operating Expenses	**88,314**	**86,885**	**85,591**	**89,024**	**87,671**	**92,386**
Amortization of Deferred Regulatory Costs	201	603	360	720	720	597
Amortization of Deferred Major Extraordinary Repairs	0	0	0	133	898	1,901
Total Operating Expenses	88,515	87,489	85,951	89,877	89,289	94,884

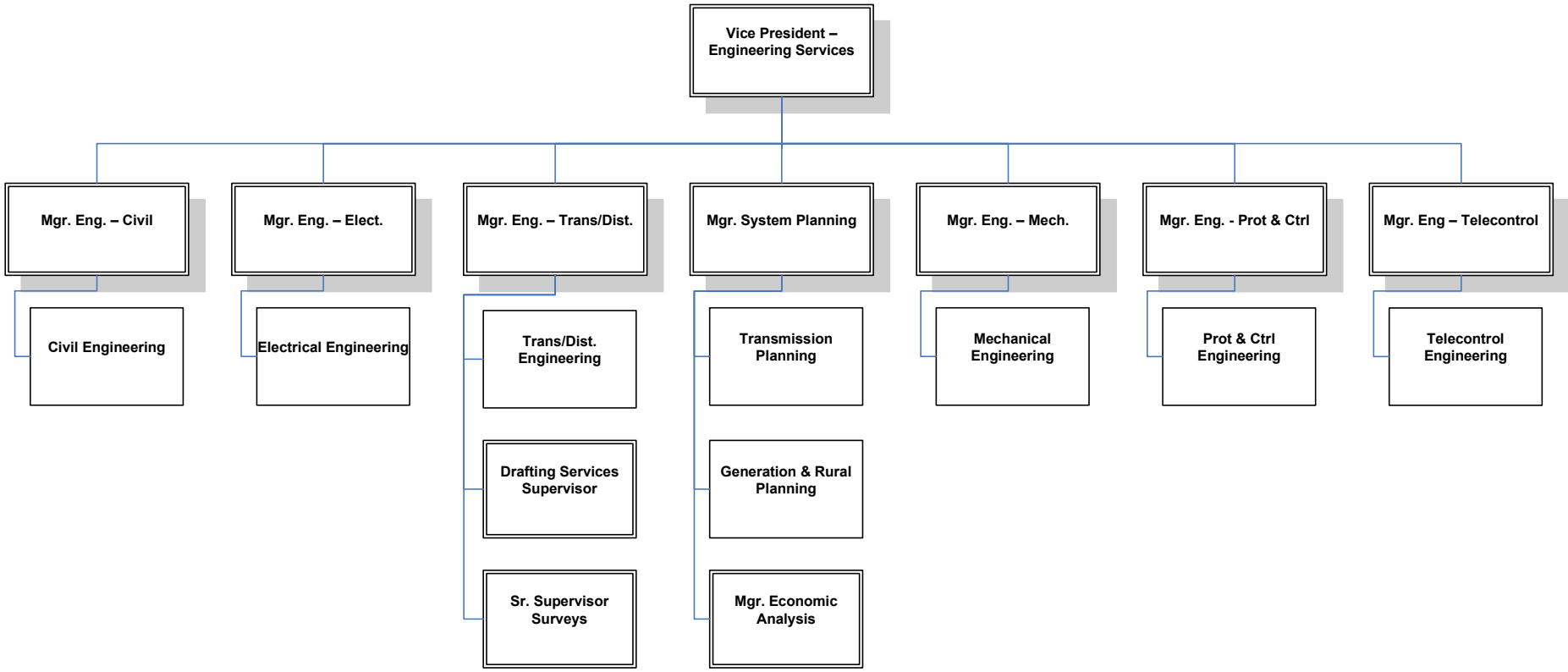
Schedule II-A
J.R. Haynes

Regulated Operations Organizational Chart



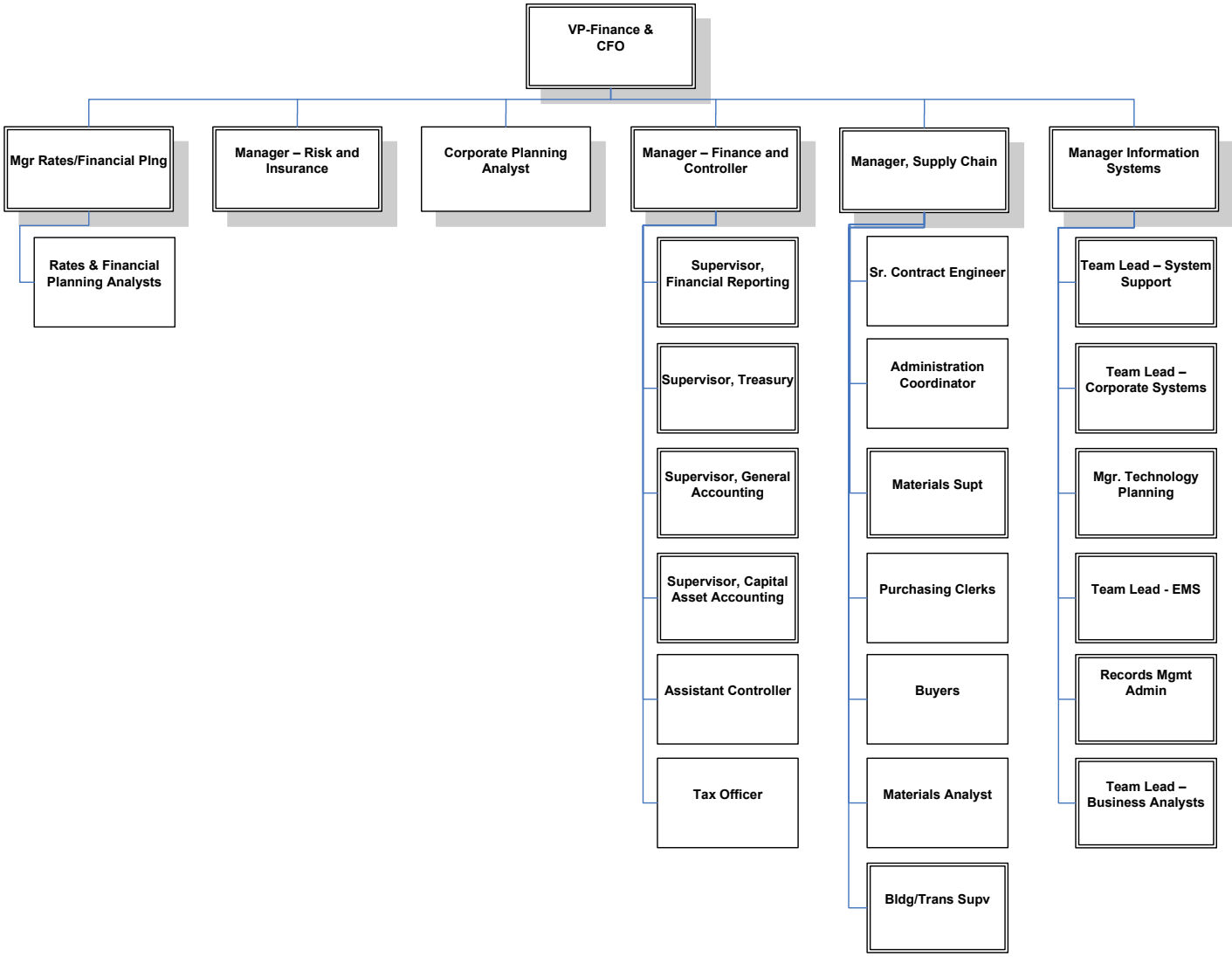
Schedule II-B
J.R. Haynes

Engineering Services Organizational Chart



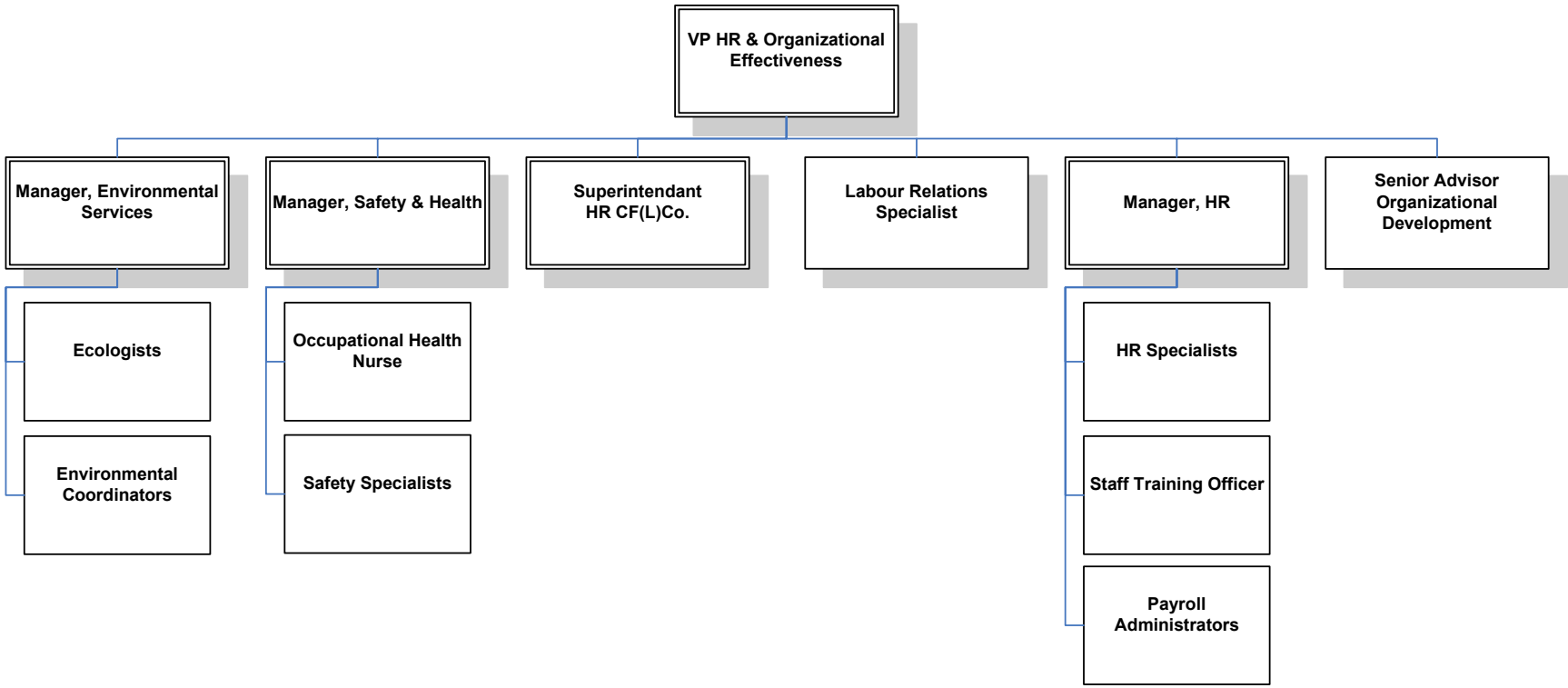
Schedule II-C
J.R. Haynes

Finance Organizational Chart



Schedule II-D
J.R. Haynes

Human Resources & Organizational Effectiveness Organizational Chart



Schedule III
J.R. Haynes

Newfoundland and Labrador Hydro
Actual and Forecast Electricity Requirements
Island Interconnected System

	2004 Test Year		2004 Actual		2005 Actual		2006 Forecast		2007 Forecast	
	MW	GWh	MW	GWh	MW	GWh	MW	GWh	MW	GWh
Newfoundland Power	1,080.7	4,772.7	1,096.3	4,708.7	1,054.2	4,664.1	1093.8	4,793.4	1121.5	4,964.0
Hydro Rural Interconnected	88.9	399.8	87.3	395.0	80.2	381.9	84.0	378.8	84.8	392.0
Corner Brook Pulp & Power	56.0	454.6	66.3	536.4	63.8	457.7	59.4	432.8	59.4	452.5
Abitibi Con. – Grand Falls	24.0	161.8	28.3	173.6	28.0	155.2	24.0	144.4	24.0	162.4
Abitibi Con. – Stephenville	71.5	515.2	74.1	542.8	74.2	452.6	3.0	8.1	3.0	5.7
North Atlantic Refining	30.5	234.2	31.6	248.3	31.0	225.9	30.5	241.3	30.5	245.3
Aur Resources	0.0	0.0	0.0	0.0	0.0	0.0	10.0	22.6	10.0	64.3
Total Deliveries	1,334.2	6,538.3	1,339.6	6,604.8	1,303.5	6,337.5	1,279.3	6,021.4	1,307.6	6,286.2
Transmission Losses	40.0	221.5	65.4	178.9	57.5	177.1	39.0	201.9	39.9	203.4
Hydro Island Requirement	**1,374.2**	**6,759.8**	**1,405.0**	**6,783.7**	**1,361.0**	**6,514.5**	**1,318.3**	**6223.3**	**1,347.5**	**6,489.6**

Notes:

1. 2006 and 2007 Forecast are sourced to the May 23, 2006 Island Operating Load Forecast.
2. Actual customer peaks are annual maximums. Forecast peaks are normally for January and system peak excludes interruptible load. MWs in 2006 are December forecast values.
3. Demands for Total Deliveries and Transmission Losses are coincident with system peak. Actual transmission losses include station services.

Schedule IV
J.R. Haynes

Newfoundland and Labrador Hydro
Actual and Forecast Electricity Requirements
Labrador Interconnected System

	2004 Test Year		2004 Actual		2005 Actual		2006 Forecast		2007 Forecast	
	MW	**GWh**	**MW**	**GWh**	**MW**	**GWh**	**MW**	**GWh**	**MW**	**GWh**
Hydro Rural Interconnected										
Happy Valley-Goose Bay	55.7	226.0	55.5	220.0	56.9	219.0	56.9	224.5	57.5	235.0
Churchill Falls	-	-	-	1.3	-	1.3	0.3	1.4	0.3	1.5
Wabush	14.9	61.4	15.1	61.4	14.1	58.6	15.0	59.3	15.1	62.0
Labrador City	51.9	214.8	48.9	201.4	47.6	195.9	50.1	197.6	50.6	207.0
Total	122.5	502.2	119.5	484.0	118.6	474.7	122.3	482.8	123.5	505.5
CFB 5 Wing Goose Bay	-	75.1	-	72.5	-	77.3	-	73.1	-	77.4
Iron Ore Company of Canada	82.0	269.9	83.5	268.0	83.0	316.3	82.0	277.7	82.0	312.5
Wabush Mines	-	-	-	0.5	-	0.2	-	0.2	-	0.2
Total Deliveries	172.3	847.2	163.3	825.0	172.8	868.5	169.4	833.8	170.4	895.6
Transmission Losses	22.9	113.1	22.8	99.3	23.1	91.1	21.5	97.7	21.6	115.4
Hydro Labrador Requirement	**195.2**	**960.3**	**186.1**	**924.4**	**195.9**	**959.6**	**190.9**	**931.5**	**192.0**	**1,011.0**

Notes:

1. 2006 and 2007 Forecast are sourced to the May 24, 2006 Labrador Operating Load Forecast.
2. Actual customer peaks are annual maximums. Forecast peaks are normally for January and system peak excludes interruptible and secondary load. MWs in 2006 are December forecast values.
3. Demands for Total Deliveries and Transmission Losses are coincident with system peak.
4. Sales to CFB Goose Bay and Wabush Mines are secondary sales.
5. Churchill Falls sales are included in HV-GB for 2004 Test Year.

Schedule V
J.R. Haynes

Newfoundland and Labrador Hydro
Actual and Forecast Electricity Requirements
Isolated Systems

	2004 Test Year		2004 Actual		2005 Actual		2006 Forecast		2007 Forecast	
	kW	MWh	kW	MWh	kW	MWh	kW	MWh	kW	MWh
Labrador Isolated										
Davis Inlet/ Natuashish	1,378	4,680	75	187	35	95	0	0	1,468	6,629
L'Anse au Loup	3,587	16,121	3,640	16,353	3,576	15,948	3,686	16,643	3,740	16,884
Others	8,862	36,693	8,320	35,075	8,392	34,433	8,491	34,981	8,661	35,700
Total	**13,827**	**57,494**	**12,035**	**51,615**	**12,003**	**50,476**	**12,177**	**51,624**	**13,869**	**59,213**
Island Isolated										
Rencontre East	294	1,049	246	873	246	846	246	281	0	0
Others	3,011	9,385	3,101	9,421	2,760	8,619	2,854	8,604	2,844	8,577
Total	**3,305**	**10,434**	**3,347**	**10,295**	**3,006**	**9,465**	**3,100**	**8,885**	**2,844**	**8,577**

Notes:

1. 2006 and 2007 Forecast are sourced to the May 2006 Rural Operating Load Forecast.
2. Peaks are non-coincident net annual maximums.
3. Net production excludes station services

Schedule VI
J.R. Haynes

Newfoundland and Labrador Hydro
Energy Supply and Fuel Expense for 2004 to 2007
Island Interconnected System

	2004 Test Year	2004 Actual	2005 Actual	2006 Forecast	2007 Forecast
Total Energy Requirement (GWh)	6,759.80	6,783.67	6,514.53	6,223.30	6,489.60
Hydraulic Production (GWh)	4,582.15	4,726.36	4,769.64	4,783.40	4,472.07
Energy Purchases (GWh)	393.98	412.64	422.78	416.90	414.87
Gas Turbine/Diesels Production (GWh)	3.06	(2.89)	(6.48)	(1.20)	3.00
Holyrood Production (GWh)	1,780.61	1,647.56	1,328.59	1,024.20	1,599.66
Holyrood No. 6 Fuel Conversion Factor (kWh/bbl)	630	632	622	617	630
Holyrood No. 6 Fuel Consumption (bbl)	2,826,365	2,605,074	2,136,109	1,660,400	2,539,144
Average No. 6 Fuel Purchase Price ($/bbl)	$29.02	$30.79	$42.65	$55.88	$55.91
No. 6 Fuel Production Cost ($000)	$83,610	$80,845	$80,305	$89,012	$142,488
Gas Turbine/Diesel Production Cost ($000)	$313	$156	$441	$526	$534

Schedule VII
J.R. Haynes

Newfoundland and Labrador Hydro
Energy Purchases By Suppliers for 2004 to 2007
Island Interconnected System

Supplier	2004 Test Year		2004 Actual		2005 Actual		2006 Forecast		2007 Forecast	
	GWh	$000	GWh	$000	GWh	$000	GWh	$000	GWh	$000
NP at Hydro request	0.00	$0	0.42	$88	0.01	$4	0.39	$83	0.00	$0
CBPP Secondary[1]	0.00	$0	0.00	$0	0.26	$10	0.00	$0	0.00	$0
ACI-GF Secondary[2]	0.00	$0	4.99	$91	8.87	$69	19.34	$635	20.59	$702
Star Lake	141.17	$9,974	145.47	$10,319	144.09	$10,296	145.31	$10,529	142.45	$10,432
Rattle Brook	15.57	$1,161	13.38	$975	15.05	$1,134	15.33	$1,165	14.59	$1,128
Corner Brook Cogen	100.24	$7,563	96.27	$8,048	92.88	$8,032	97.35	$9,555	100.24	$10,150
Exploits Project	137.00	$10,550	152.11	$11,793	158.60	$12,067	139.22	$10,961	137.00	$10,757
Total Power Purchases	**393.98**	**$29,511**	**412.64**	**$31,314**	**419.76**	**$31,611**	**416.94**	**$32,928**	**414.87**	**$33,168**

[1] CBPP Secondary for 2005 does not include 3.02 GWh of transferred energy.

[2] ACI Secondary was paid in April 2006 for a conditional purchase due to high water levels in November and December.

Schedule VIII
J.R. Haynes

Newfoundland and Labrador Hydro
Monthly No. 6 Fuel Purchase Prices
($bbl)

	2004		2005	2006	2007
	Forecast	Actual[1]	Actual[1]	Forecast[2]	Forecast
January	$31.75		$34.32		$58.55
February	$30.15	$30.53	$35.81	$53.92	$55.75
March	$28.45	$30.14	$39.64	$53.49	$54.30
April	$27.75	$33.39			$54.40
May	$26.65			$54.60	$55.65
June	$25.85			$57.10	$58.40
July	$25.40			$57.60	$58.95
August	$25.95			$58.40	$59.15
September	$26.80	$33.55		$61.30	$57.95
October	$27.50	$37.72	$53.46	$58.70	$56.50
November	$27.55	$28.26	$47.57	$57.35	$54.80
December	$28.10	$26.91	$49.73	$53.60	$54.70
Weighted Purchase Price	$29.02	$30.79	$42.65	$55.88	$55.91

[1] There were no purchases in months with a blank.
[2] Actual costs to end of April.

Schedule IX
J.R. Haynes

Newfoundland and Labrador Hydro
Isolated Fuel and Purchased Power Costs
($thousands)

	2004 Test Year	2004 Actual	2005 Actual	2006 Forecast	2007 Forecast
Diesel Fuel					
Natuashish	$581	$0	$0	$0	$1,539
Other NLH Diesel	$6,155	$7,489	$9,466	$10,498	$10,244
Total	$6,736	$7,489	$9,466	$10,498	$11,783
Purchased Power					
L'Anse au Loup	$736	$974	$1,307	$1,560	$1,515
Ramea	$0	$21	$83	$119	$119
Mary's Harbour	$35	$34	$32	$38	$43
Total	$771	$1,028	$1,422	$1,716	$1,677
Total	**$7,507**	**$8,517**	**$10,888**	**$12,214**	**$13,460**

Derrick F. Sturge, FCMA, FCA
Vice-President, Finance and Chief Financial Officer
Newfoundland and Labrador Hydro

At the hearing into Newfoundland and Labrador Hydro's 2006 General Rate Application, the Corporate Finance Evidence will be adopted by Derrick F. Sturge, FCMA, FCA, Vice-President, Finance and Chief Financial Officer for Newfoundland and Labrador Hydro.

A witness profile for Mr. Sturge is as follows:

- Mr. Sturge graduated from Memorial University of Newfoundland with a Bachelor of Commerce (Honors) degree in 1982. He articled with Touche Ross & Co. and was awarded the Chartered Accountant designation in 1984. In 1985 he was awarded the designation Certified Management Accountant. In 1996 he graduated from the University of Durham in the U.K. with a Master of Business Administration. He was elected a fellow of the Certified Management Accountants of Newfoundland and the Institute of Chartered Accountants of Newfoundland in 1994 and 2002, respectively.

- Mr. Sturge was employed by Newfoundland and Labrador Hydro from 1989 to 1996 as Director, Rates and Financial Planning.

- From 1996 to 2000 he was Chief Financial Officer for Voisey's Bay Nickel Company Limited.

- From 2000 to 2004 he was Vice-President, Finance and Corporate Secretary for CHC Helicopter Corporation.

- From 2004 to 2005 he led the development of the Deloitte & Touche national corporate governance practice as Director, CFO & Governance Services.

- Mr. Sturge was appointed Vice-President, Finance and Chief Financial Officer of Newfoundland and Labrador Hydro and the Hydro Group of

Companies on March 20, 2006. In this position Mr. Sturge is responsible for the Finance, Rates and Financial Planning, Information Systems, Supply Chain Management, Corporate Risk and Insurance, and Corporate Planning departments.

- Mr. Sturge previously testified before the Board of Commissioners of Public Utilities in 1992 with regard to Newfoundland and Labrador Hydro's Cost of Service methodology, in 1995 with regard to Rural Electrical Rates, and in 1996 with regard to rates for customers supplied by the L'Anse au Loup system.

Corporate Finance

Evidence Outline

Page

1. OVERVIEW

The purpose of this evidence is to address two specific areas:

1. To provide an overview of Hydro's expanded mandate, including its policies and plans to ensure that the regulated activities are not impacted by non-regulated activities, including the following:
    - cost allocations;
    - financing non-regulated activities; and
    - future activities.
2. To address Hydro's financial targets and objectives.

Hydro believes that with changes to its mandate, recent restructuring, and an increased level of non-regulated expenditures, it is prudent to address the Company's policies and procedures that ensure that the ratepayers are not impacted by non-regulated activities.

During 2006, as part of its Corporate Plan, Hydro established eight corporate goals. One of these goals is specifically focused on Hydro's financial and governance structure and is stated as follows: *To strengthen our financial and governance structure to enable Hydro's new expanded mandate.*

This evidence will address Hydro's current policy and procedures with regard to the separation of regulated and non-regulated activities, recognizing that revisions may be required as the nature of the non-regulated activities is further defined, and issues such as corporate structure, methods of financing, capital structure, and delivery of shared services are aligned to meet business requirements.

2. EXPANDED MANDATE

As described in Mr. Martin's evidence, Hydro's mandate was expanded by its Shareholder in 2005. In May 2006, the House of Assembly amended the Hydro Corporation Act and the Electrical Power Control Act to give effect to this expanded mandate. The following is an excerpt from the Act to Amend the Hydro Corporation Act and the Electrical Power Control Act, 1994:

> *Section 4 of the Hydro Corporation Act is amended by renumbering it as subsection (1) of section 4 and by adding immediately after subsection (1) the following:*
>
> *(2) In addition to the objects referred to in subsection (1), the corporation may, in the province and elsewhere, engage in activities related to the exploration for, development, production, refining, marketing and transportation of hydrocarbons and products from hydrocarbons.*
>
> *(3) Notwithstanding subsections (1) and (2), the corporation may engage in those other activities that the Lieutenant-Governor may approve.*

In 2005, Hydro underwent an internal restructuring to facilitate the execution of this expanded mandate and ensure an appropriate focus on the core regulated business. This included the amalgamation of Regulated Operations into a single division, separate from non-regulated activities including Churchill Falls Operations, Lower Churchill, and Business Development. Limited activities of the Regulated Operations division are non-regulated and have been removed in preparing the 2007 revenue requirement. Churchill Falls Operations are conducted within the legal entity Churchill Falls (Labrador) Corporation ("CF(L)Co").

The activities currently taking place within Hydro include:

1. Regulated Operations

   - Regulated activities and assets to serve customers on the Island Interconnected, Labrador Interconnected, and Isolated Diesel systems.

2. Leadership Team and Support Services

   - Senior leadership and other services to support both the regulated and non-regulated business units. This includes a wide range of activities such as leadership, finance, information services, engineering, supply chain management, corporate communication, human resources, and other related activities.

3. Lower Churchill

   - All activities being undertaken to develop the Lower Churchill hydroelectric development, including certain management and support services related to the Lower Churchill Development.

4. Business Development

   - All activities related to Hydro's wind power, oil and gas, and other alternative energy activities, including certain executive management and support services associated with Business Development activities.

   - The wind power activities for the Island Interconnected System are being undertaken by this business unit, in consultation with the System Planning department, on behalf of the core regulated business.

5. Other Non-Regulated Activities

   - Certain non-regulated activities including the sale of recall energy to Hydro Québec and sales to the mining companies in Labrador West.

6. Financing

- Long and short-term debt to finance the activities of the regulated business, Business Development and Lower Churchill business units.

The Corporation has specific procedures to ensure assets, liabilities, revenues and costs related to the non-regulated activities are excluded from the 2007 revenue requirement.

3. COST ALLOCATIONS

Where possible, employees and costs that are directly attributable to a non-regulated business, with no impact on regulated activities, are charged directly to the non-regulated business unit as follows:

- CF(L)Co employs approximately 300 employees (Full-Time Equivalent) directly, with only senior leadership and administrative services being provided by personnel included in Hydro's regulated activities. Of CF(L)Co's 2006 budgeted operating and administration costs of $53.2 million, $2.2 million or 4.1% represent services provided by Hydro. At the beginning of each year an estimate is made of the cost of services to be provided during the year, and is adjusted, if necessary, at year-end based on the level of actual services provided. The services to be provided are reviewed annually and the nature of the services provided is not expected to materially change in 2007. In preparing the 2007 revenue requirement, cost allocations of $2.2 million to CF(L)Co have been assumed.

- The Lower Churchill business unit has directly employed a team of individuals dedicated solely to this project, performing executive, engineering, project planning, environmental, financial analysis, and communications activities. As a result, the level of support services provided to the Lower Churchill business unit is limited.

- The Business Development group also directly employs individuals dedicated solely to engineering and financial analysis of business development opportunities. As a result, the level of support services provided to the Business Development business unit is limited.

Hydro has a policy with regard to the allocation of costs incurred by the Regulated Operations or Support Services divisions to non-regulated activities. The policy was originally filed with the Board in December 2002 as directed in Order No. P.U. 7 (2002-2003). As directed by the Board, the Company has also

been filing separate financial statements for regulated and non-regulated activities.

In his evidence, Mr. Bradbury will describe the details of the specific cost allocations to the non-regulated business units incorporated in the 2007 revenue requirement.

The existing policy continues to result in an appropriate allocation of costs to non-regulated activities.

4. FINANCING NON-REGULATED ACTIVITIES

The activities of the Regulated Operations, Lower Churchill, and Business Development divisions to date have all been financed through Hydro. The proportions of the capital structure that are attributed to the non-regulated business units have been excluded from the 2007 Test Year, as detailed in the Report on the Discontinuance of the Use of Regulated Equity in Favour of Book Equity attached as Exhibit MGB-2.

In his evidence, Mr. Bradbury will detail the specific procedures used to segregate debt and financing costs related to the non-regulated activities from the 2007 Test Year.

5. FUTURE ACTIVITIES

Hydro is currently in the process of determining how it should be structured in the future to most effectively service and finance its regulated and non-regulated business activities. It is expected that this work will continue into 2007.

It is too early to determine how Hydro will ultimately proceed in these areas, as this work is ongoing and will involve a considerable amount of analysis and consultation with financial and legal advisors, credit rating agencies, and the Shareholder. Any actions taken in the future to restructure the Company will be based on the premise of ensuring the regulated activities are not impacted by non-regulated assets, liabilities, revenues and expenses.

The manner in which the regulated business is financed, including the appropriate capital structure, types of financing, and dividend policies will be considered as part of this review.

6. FINANCIAL OBJECTIVES AND TARGETS

6.1 General

The Electrical Power Control Act, 1994 directs that Hydro achieve and maintain a sound credit rating in the financial markets of the world. Key elements of such a rating are the business and financial risks faced by Hydro, as determined by Canadian rating agencies, in combination with the financial targets established by the Company.

This section of the evidence contains an overview of these elements and outlines financial objectives and targets designed to support a sound credit rating for Hydro. Currently, these targets include achieving a debt to capital percentage of 80%, and earning, in the short term, a return on equity ("ROE") equal to Hydro's marginal cost of long-term borrowing, currently estimated to be 5.20% in 2007. The estimate of Hydro's marginal cost of long-term borrowing for 2007 was computed in a manner consistent with Order No. P.U. 14 (2004), which was an average of the rate forecasts for Government of Canada long bonds as provided by Hydro's syndicate managers, plus current provincial credit spreads.

The financial results for 2007, assuming no change in current electrical rates, indicate a rate of return on rate base of 6.07% and a return on equity of -6.08%. These are well below the level the Board has approved for Hydro. Rates of return at the projected 2007 level adversely impact Hydro's ability to maintain a sound credit rating as mandated by the Electrical Power Control Act, 1994.

6.2 Risk Assessment and Return on Equity

In Hydro's 2003 GRA, the assessment of Hydro's risk profile was considered by Ms. Kathy McShane, senior vice-president with Foster Associates Inc., as a basis for determining the appropriate level of return to providers of capital to the Company. Typically, the return demanded by investors is driven by the type of investment (e.g. bonds, share capital, etc.), coupled with an assessment of the

relative business risk of the company in which they are investing. Hydro's return to debtholders is market-driven and thereby transparent to all stakeholders. On the other hand, the return to equity holders was the subject of considerable discussions in Hydro's 2003 GRA, with the focus generally on the business and financial risks faced by the utility. Ms. McShane argued that these risks were relevant in the determination of a just and reasonable rate of return to Hydro's equity holder.

Return on equity is the net earnings available for distribution to shareholders after the payment of all expenses and debt costs. An adequate level of return on equity is viewed as important by credit rating agencies because it allows companies some flexibility to withstand unexpected and adverse economic circumstances that can put pressure on net earnings.

In Order No. P.U. 14 (2004), the Board ruled that as an interim measure, Hydro's approved rate of return on equity would be equal to its marginal cost of debt. The Board also stated "any change in this determination will depend on NLH justifying to the Board in a subsequent application that it should be treated comparably to an investor-owned utility or providing other suitable rationale supporting an increased ROE". As part of its restructuring, Hydro is considering the factors necessary to make it more comparable to an investor-owned utility. However, for the purpose of this proceeding, Hydro has based its revenue requirement on the previous Board directive under which Hydro's allowed return to its equity holder is equal to its marginal cost of debt.

6.3 Financial Risks and Objectives

6.3.1 Credit Standing

Hydro believes it is important to maintain a credit rating that is considered "investment-grade". At this rating the cost of capital is minimized, which is essential for Hydro to achieve its objective of providing electrical power to its customers at least cost.

In its October 2005 Credit Rating Report on Hydro, the Dominion Bond Rating Service ("DBRS") rated Hydro's long-term debt as BBB (high) and its short-term debt as R-1 (low). Both ratings are generally accepted as "investment-grade" by the investment community. DBRS points out in their commentary that Hydro's ratings are "a flow through of the rating of the Province of Newfoundland and Labrador (the "Province"), which unconditionally guarantees the Company's debt."

While DBRS acknowledges, in its report, the significance of the Provincial Guarantee in their rating of Hydro, its overall review of Hydro's operations focuses on the general financial condition of the company itself. The slight improvement in Hydro's debt to capital percentage is noted, as are earnings and cash flow performance. Hydro's proactive approach to dividend payouts in respect to regulated income and the apparent level of shareholder support for dividend restraint are both noted. On the other hand, DBRS states that Hydro's "earnings profile is expected to remain weaker than comparable investor-owned utilities and many government-owned utilities, " suggesting that "this is mainly due to the low approved ROE, 5.83%, and the high targeted regulated capital structure of 80% debt/20% equity combined with modest growth in the rate base". In its September 6, 2005 credit rating on Newfoundland and Labrador Hydro, Standard and Poor's also characterized Hydro's allowed return on equity of 5.83% to be "below-average".

The rating agency commentary on Hydro's financial operations and position indicates some concern as to the Company's earnings performance. This has implications for Hydro's overall financial position. A healthy financial position for Hydro that allows it to be classified as "self-supporting" has positive implications for the Province's credit rating. It is the linkage between Hydro's financial position and the Province's credit rating that makes Hydro's own creditworthiness important. A poor financial position for Hydro could adversely impact the

Province's credit rating and thereby, increase the borrowing costs of the Province, and hence Hydro's own borrowing costs.

6.3.2 Capital Structure

An important component of financial risk is represented by the proportion of debt in the capital structure of a company. Debt entails the levy of a fixed charge in interest and principal against the cash flows of a company, and hence higher levels of debt impact on a company's available cash flows in instances where financial conditions deteriorate. Providers of debt financing have a priority claim on the assets of the business should the business fail, whereas equity investors have only a residual claim. In addition, the return on an equity investment is subject to potential variability in the profits of a firm.

The relative proportion of debt in Hydro's regulated capital structure since 2002 is detailed in Mr. Bradbury's Schedule I, Page 4 of 10. In 2002, the debt to capital ratio was 84.6%. Hydro is projecting that this will improve to 82.9 % by year-end 2007.

In March 2006, the Company's Shareholder approved a recommendation from Hydro to suspend dividend payments for the Shareholder's fiscal 2006/07 year to allow Hydro to use these funds for investment opportunities. The result of the decision to suspend dividend payments is anticipated to have a positive effect on the corporate debt to capital ratio in the short term. While the overall reduction in dividend payments is $54 million, there is no impact on the regulated capital structure as the suspended dividend payments are derived from non-regulated activities.

Based on current estimates, progress toward the goal of 80% debt to capital in the regulated capital structure will only occur within the next five years if dividends on regulated earnings during that time are curtailed. In the absence of any other sources of equity capital, a higher level of earnings reinvestment is Hydro's only option to improve its debt to capital ratio.

Mark Bradbury, BA, FCA
Corporate Controller and Treasurer
Newfoundland and Labrador Hydro

At the hearing into Newfoundland and Labrador Hydro's 2006 General Rate Application, the Finance and Accounting Evidence will be adopted by Mark Bradbury, Corporate Controller and Treasurer for Newfoundland and Labrador Hydro.

A witness profile for Mr. Bradbury is as follows:

- Mr. Bradbury joined Newfoundland and Labrador Hydro in 1986 as Assistant Corporate Controller. He was appointed Treasurer in 1997 and Director Finance in 2003. From September 2005 to March 2006, he was acting Vice-President, Finance and Chief Financial Officer, at the end of which time he was appointed Corporate Controller and Treasurer.

- Prior to joining Hydro, Mr. Bradbury worked in private industry as a Corporate Controller.

- Mr. Bradbury graduated from Memorial University of Newfoundland (Bachelor of Arts, 1973) and obtained his Chartered Accountant designation in 1980 while working with Baird & Baird Chartered Accountants. Mr. Bradbury was elected a Fellow Chartered Accountant in 2000 by the Institute of Chartered Accountants of Newfoundland. He is currently a member of the Board of Directors of the Canadian Institute of Chartered Accountants.

- Mr. Bradbury has previously testified before the Board of Commissioners of Public Utilities in connection with Hydro's Application for new long-term borrowings in April 1998.

Finance and Accounting

Evidence Outline

Page

List of Schedules:

1. OVERVIEW

This evidence will provide an overview of the financial results of Hydro's operations over the period 2002 to 2007. Hydro has presented financial results for this timeframe to assist the Board in examining trends over a longer period of time. In 2002, Hydro's rates were set based on the 1996 amendments to the Hydro Corporation Act and the EPCA 1994 for the first time.

In the absence of a general rate increase, Hydro's regulated net loss for 2007 is forecast to be $12.6 million, resulting in a negative return on regulated equity of 6.08%. The resultant return on rate base of 6.07% is considerably below the lower end of the range of return on rate base of 7.316% as approved in Order No. P.U. 40 (2004).

Hydro proposes that the Board fix and determine the forecast average rate base for 2007 at $1,491,183,000 for the purpose of setting rates in this proceeding.

In Order No. P.U. 14 (2004), the Board directed Hydro, at the time of its next Application, to submit a report containing a proposal for an automatic adjustment mechanism ("AAM") for rate of return, accompanied by analysis of the impacts of the proposed mechanism. This report is attached as Exhibit MGB-1.

In December 2005, Hydro filed an updated depreciation study with the Board in accordance with Order No. P.U. 7 (2002-2003). The study performed by Gannett Fleming recommended that Hydro replace the sinking fund method of depreciation for its hydraulic and transmission assets with the straight-line method. It also recommended that Hydro adopt the equal life group procedure rather than depreciating individual assets and recognizing gains and losses upon retirement. The implementation of these recommendations would cause annual depreciation expense to increase by approximately $14 million. Hydro has not incorporated the recommendations of the Gannett Fleming report into this Rate Application. Instead, Hydro is requesting approval in principle of these

recommendations. If approval in principle is obtained, Hydro would then implement the database and programming changes necessary to effect the change in methodology. During 2007, Hydro would present a detailed implementation plan to the Board for approval.

The Rate Stabilization Plan ("RSP") primarily provides for the deferral of variances resulting from changes in fuel prices, levels of precipitation and load. The RSP balances are now divided into two principle components: balances that had accumulated prior to December 31, 2003 and those after that date. As detailed in Schedule I, Page 8 of 10, total balances due Hydro in the RSP reached a high of $155 million at the end of 2003 and are forecast to be reduced to a net amount of $7 million owing to customers by the end of 2007.

Hydro proposes to amortize external regulatory costs incurred with respect to this proceeding over three years. Over that same period, Hydro also proposes to amortize external costs associated with studies pertaining to the value of Newfoundland Power ("NP") generation and marginal costs. Amortization of costs of this nature over a three-year period is consistent with past practice as approved by the Board. Major repair costs were also incurred in 2006 in respect to Holyrood Thermal Generating Station Unit # 2 boiler and a separate application for deferral was filed with the Board in July 2006. For the purposes of this Application, Hydro has assumed a deferral of these costs, combined with the ongoing deferral and amortization of costs associated with the Holyrood Asbestos Abatement Program.

In Order No. P.U. 7 (2001-2002) the Board required Hydro to file written policies and procedures for the accounting of all intra and inter-company transactions, indicating what is to be included in regulated and non-regulated activities. Hydro filed this report in December of 2002. In Order No. P.U. 14 (2004) the Board accepted Hydro's treatment of non-regulated expenses and inter-company charges in determining its 2004 Test Year revenue requirement. This evidence details steps that Hydro has taken to ensure proper segregation of non-regulated

costs and also details the non-regulated costs that have been excluded from Hydro's Test Year revenue requirement.

In Order No. P.U. 14 (2004) the Board directed that Hydro "file as part of its next general rate application a report on the discontinuance of the use of regulated equity in favour of book equity". This report is contained in Exhibit MGB-2.

By Order No. P.U. 14 (2004) the Board directed Hydro to "file as part of its next general rate application a report with respect to the review of its property and assets". Hydro has recently completed a review to match all the physical plant records to the equipment records to identify any differences and make the appropriate adjustments. Hydro has detailed the results of the review of its property and assets and has also included a listing of its property and assets, the acquisition date, the original cost, the purpose of the asset, the net book value and, where applicable, the load served. This report is attached as Exhibit MGB-3.

Hydro's revenue requirement is the sum of the required return on rate base and various other costs, which include operating expenses, fuels, power purchases and depreciation. The total revenue requirement for 2007 is forecast to be $443.4 million. This incorporates a proposed rate of return on rate base of 7.63%.

2. FINANCIAL RESULTS OF OPERATIONS: 2002 - 2007

2.1 Overview

Schedule I provides Hydro's historical financial results for 2002 to 2005, forecast results for 2006, and forecast results for 2007 based on the proposals set out in this Application. Hydro has presented financial results for this timeframe to assist the Board in examining trends over a longer period of time. In 2002, Hydro's rates were set based on the 1996 amendments to the Hydro Corporation Act and the EPCA 1994 for the first time. The following describes the more significant line items found on the Income Statements for 2002 through 2007 as outlined on Schedule I, Page 1 of 10.

2.2 Revenues - Energy Sales

Regulated revenues over the five-year period from 2002 to 2007 are forecast to increase by 43% ($133.6 million). This equates to an average annual increase of 8.6% over this period.

Forecast revenues for 2007 reflect the load forecast as outlined in the "Regulated Activities" evidence and proposed rate increases as detailed in the "Rates" evidence.

2.3 Operating Expenses

There has been an increase of 4.6% ($4.1 million) in normal operating expenses over the period 2002 to 2007. This is a year-over-year ("YOY") increase of less than 1%. Normal operating expenses exclude the amortization costs associated with deferred regulatory and major repairs costs (Schedule 1, Page 10 of 10). When the impacts of amortizing the deferred regulatory costs and deferred major extraordinary expenses are included, there has been an increase in operating expenses of 7.2% ($6.4 million) over the 2002 to 2007 period. This is an average annual increase of 1.4% per year.

2.4 Fuels

Forecast fuel expenses for 2007 are based on the May 2006 price forecast of the PIRA Energy Group, Hydro's advisor in oil market analysis, and forecast thermal production.

Forecast fuel expenses in 2007 compared to 2002, have increased by 112% ($82.4 million). Explanations regarding changes in fuel costs are contained in the "Regulated Activities" evidence.

2.5 Power Purchases

Power purchases have increased by 141% ($22.5 million) over the period 2002 to 2007. This is primarily the result of energy purchases from two non-utility generators which began operation in 2003. Additionally there are increases in rates from power purchase agreements affected by fuel and, to a lesser extent, CPI escalators. Further explanation regarding power purchase costs is contained in the "Regulated Activities" evidence.

2.6 Depreciation

Depreciation expense and loss on disposal of assets have been computed using the currently approved methodology and have increased by 20.3% ($6.9 million) over the period 2002 to 2007. This reflects Hydro's continued investment in the electrical system.

2.7 Interest

Interest expense has increased by 16% ($14.2 million) over the period 2002 to 2007. This increase is primarily due to higher average borrowing rates and lower capitalized financing charges. The large balance of construction in progress during 2002 in connection with the Granite Canal project attracted larger than normal capitalized interest, lowering net interest expense in that year. Further

detail relating to the computation of the embedded cost of debt is contained in Schedule IV.

2.8 Returns on Rate Base

2.8.1 2002 – 2003

Order No. P.U. 21 (2002-2003) provided Hydro with an allowed return on rate base of 7.081%. Actual return on rate base was 7.25% in 2002 and 6.30% in 2003. Details of these returns are outlined on Schedule I, Page 6 of 10.

2.8.2 2004 – 2006

Order No. P.U. 14 (2004) provided Hydro with an allowed return on rate base of 7.466% and a range of return on rate base of plus or minus 15 basis points, or an allowed range of return on rate base of 7.316% to 7.616%. Actual returns on rate base were 7.03% in 2004 and 6.97% in 2005 and forecast to be 6.65% in 2006, as shown in Schedule I, Page 6 of 10. These rates are all below the approved range.

2.8.3 Proposed 2007

As shown in Schedule I, Page 6 of 10, Hydro proposes a rate of return on rate base for 2007 of 7.63%, based on a forecast average rate base of $1,491,183,000.

2.8.4 Returns on Equity

The rate of return on rate base set by the Board in Order No. P.U. 21 (2002-2003) reflected a cost of equity of 3%. Actual return on equity was 4.03% in 2002 and -1.24% in 2003. The return on equity in 2002 was higher than the approved rate due largely to the fact that test year retained earnings reflected dividends calculated as 75% of net operating income, whereas actual dividends paid were much higher. Increases in power purchases, depreciation and interest resulted in a negative return on equity of 1.24% in 2003.

The actual return on equity achieved in 2004 of 3.52% was lower than the approved cost of equity of 5.83% largely due to the late implementation of the requested increase in rates.

Actual return on equity for 2005 declined to 1.57% and is forecast to be negative in 2006 (-1.49%). In this Application, Hydro is requesting the Board approve a rate of return on rate base which reflects a requested cost of equity of 5.20% which is an estimate of Hydro's marginal cost of long-term borrowing for 2007, computed in a manner consistent with Order No. P.U. 14 (2004).

3. 2007 FORECAST RESULTS – EXISTING RATES

Schedule II illustrates the 2007 forecast results assuming no change in rates as compared to those in effect at December 31, 2006.

The net loss for 2007 is forecast to be $12.6 million, resulting in a negative return on equity of 6.08%. The resultant return on rate base of 6.07% is considerably below the lower end of the range of return on rate base as approved in Order No. P.U. 40 (2004) of 7.316%.

4. RETURN ON RATE BASE

4.1 Forecast Rate Base

Hydro's rate base is comprised of its investment in capital assets, unamortized balances of deferred charges, fuels and supplies inventories and working capital allowances. Schedule I, Page 5 of 10, provides details of the rate base elements from 2002 to 2007. The total average rate base for 2007 is forecast at $1,491,183,000. This compares to an average rate base in 2002 of $1,356,207,000. Most of the growth in rate base took place in 2003 with the completion of the Granite Canal project. Since that time, ongoing investment in Hydro's plant has been partially offset by annual depreciation.

The 2006 forecast for capital asset balance is based on actual plant investment to the end of 2005 combined with additions relative to the 2006 capital program as approved by the Board in Order No. P.U. 31 (2005). The 2007 forecast for capital asset balance includes a 2007 forecast capital program of $41.8 million.

4.2 Forecast Capital Structure

Details of Hydro's capital structure are outlined in Schedule 1, Page 4 of 10. There are three principal components of Hydro's capital structure: debt, employee future benefits, and retained earnings. Hydro's debt to capital ratio is forecast to improve from 85.6% in 2003 to a projected 82.9% by the end of 2007. Hydro views this as a positive trend toward our stated goal of 80% debt in the capital structure.

Weighted average cost of capital is derived from the proportionate cost of the components of Hydro's capital structure. Hydro's forecast embedded cost of debt for 2007 is 8.39% and forecast cost of equity is 5.20%. Details of the computation of Hydro's cost of debt are outlined in Schedule IV. The cost of equity has been computed consistent with Order No. P.U. 14 (2004) which ordered that as an interim measure, Hydro's approved rate of return on equity would be equal to its

marginal cost of debt. Hydro has forecast its marginal cost of debt in 2007 to be 5.20%, which is the sum of the 2007 forecast yields for the 30-year Government of Canada bond of 4.65% plus Hydro's current borrowing risk premium of 0.55%. The yield of 4.65% has been determined based on the average of the interest rate forecasts of the managers of Hydro's borrowing syndicate. Hydro's borrowing risk premium is based on market activity in Hydro and Government of Newfoundland bonds.

The derivation of Hydro's weighted average cost of capital is presented in Table 1.

Table 1

Weighted Average Cost of Capital
2007 Test Year

	Cost Rate	Capital Structure Ratios	Weighted Component
Debt	8.39%	83.50%	7.01%
Employee Future Benefits	0.00%	2.42%	0.00%
Equity	5.20%	14.08%	0.73%
Weighted Average Cost of Capital			7.74%

4.2.1 Forecast Debt

Hydro is projecting a decline in the balance of debt outstanding from $1,379,400,000 in 2003 to $1,243,669,000 by the end of 2007. This decline is primarily due to the collection of outstanding RSP balances, partially offset by the continuing requirement to finance annual capital expenditures.

4.2.2 Forecast Employee Future Benefits

Based on the results of the last actuarial valuation completed in 2004, the liability for employee future benefits is projected to continue to grow through 2007 to $38.2 million, or 2.5% of the capital structure.

4.2.3 Forecast Retained Earnings

Retained earnings represent the past earnings of Hydro less dividends that have been paid to the Shareholder, the Government of Newfoundland and Labrador. The balance of regulated retained earnings continues to increase, from $204.9 million (12.7%) in 2003 to a forecasted $217.7 million (14.5%) by the end of 2007. The primary factor driving this increase has been the adoption of a dividend policy since 2002 that has restricted the payout of earnings to the Shareholder.

4.3 Forecast Return on Rate Base

The 2007 forecast return on rate base is outlined on Schedule 1, Page 6 of 10. The total forecast return for 2007 is $113.8 million consisting of $102.7 million in interest expense and $11.1 million net income. The forecast rate of return on rate base is 7.63%. The computation of the return on rate base is outlined in Table 2.

Table 2

Return on Rate Base
2007 ($millions)

	Assets	Weighted Average Cost of Debt	Weighted Average Cost of Capital	Allowed Return
Rural Interconnected & Isolated Assets	$212.6	7.01%		$14.9
Other Rate Base Assets	$1,278.6		7.74%	$99.0
Total Assets	$1,491.2			$113.9
Rate of Return on Rate Base				7.63%
Revised Allowable RORB Range (+/- 0.15)	7.48% to 7.78%			

5. AUTOMATIC ADJUSTMENT FORMULA

In Order No. P.U. 14 (2004), the Board directed Hydro, at the time of its next GRA, to submit a report containing a proposal for an AAM for rate of return, accompanied by analysis of the impacts of the proposed mechanism. This report is submitted as part of this Application as Exhibit MGB-1.

In Order Nos. P.U. 16 (1998-99) and P.U. 36 (1998-99), the Board established an AAM for NP. In Order No. P.U. 19 (2003), the Board amended certain aspects of the AAM. Hydro relied on these decisions, in conjunction with Order Nos. P.U. 14 (2004) and P.U. 40 (2004), to develop an automatic adjustment mechanism. Hydro's objective was to adopt the features of NP's AAM that were equally applicable to Hydro and to adapt the remainder to Hydro's unique circumstances.

In its report, Hydro addressed various matters including:

1. Annual Adjustment Formula for the Allowed Return on Equity;
2. Calculation of the Allowed Return on Rate Base;
3. Trigger for Early Review of Formula;
4. Period of Operation; and
5. Impact of Changes in Allowed Rate of Return on Customer Rates.

Each of these key areas is covered in detail in the report. Generally, Hydro is advocating a methodology that is similar to that of Newfoundland Power, but there are key differences in approach relating to the determination of return on equity and the early review trigger.

In Order No. P.U. 14 (2004), the Board established, as an interim measure, a return on equity for Hydro equivalent to Hydro's marginal cost of long-term debt. The return on equity is a key component of the AAM, and its determination can be open to analysis and discussion in a regulated environment, particularly when attempting to approximate a market rate of return. Since Hydro's allowed return is equal to its marginal cost of long-term debt this process is simplified, as capital

market activity in existing Hydro and Newfoundland and Labrador debt instruments provides a daily indicator of provincial marginal long-term debt costs. It is on this basis that Hydro has suggested an approach to the estimation of its marginal cost of long-term debt that is straightforward, and entails a simple polling of its two lead underwriters as to their analysis of Hydro's long-term debt costs over a given time range.

Hydro accepts the reasonableness of specifying a trigger mechanism that could lead to an early review of the automatic adjustment formula. Similarly, Hydro proposes to file a report that details the reasons for its return on regulated equity exceeding a threshold trigger. However, Hydro is proposing that its threshold trigger be set at 100 basis points, rather than the 50 basis points set for NP. The requested threshold trigger of 100 basis points reflects the range of actual return on equity implied by the 30 basis point (+/- 15 basis points) range of the allowed return on rate base set by the Board in Order No. P.U. 40 (2004) for purposes of calculating excess earnings. The reasons for this variation in approach from that of NP are detailed in the report, but are largely driven by the differences in the relative equity bases of the two companies.

6. OTHER COSTS AND ACCOUNTING MATTERS

6.1 2005 Depreciation Study

Pursuant to Order No. P.U. 7 (2002-2003), Hydro filed an updated depreciation study in December of 2005. The scope of this study included a review of Hydro's depreciation methods, as well as a statistical analysis of service life estimates and calculation of appropriate depreciation rates and annual and accrued depreciation balances.

The consultant, Gannett Fleming, recommended that Hydro replace the sinking fund method, which had been in use with respect to the depreciation of hydraulic and transmission assets, with the straight-line method which has been in use for other types of assets. It was further recommended that Hydro adopt the equal life group procedure rather than depreciating individual assets and recognizing gains and losses upon retirement.

The results of the study indicate that for the plant in service as of December 31, 2004, the annual depreciation expense should be $46.8 million, as compared to the $33.8 million in depreciation expense and $2.8 million in loss on disposal of capital assets that was recognized in 2004, a difference of $10.2 million. The accumulation of annual deficiencies in depreciation expense means that Hydro's assets are under-depreciated by $174 million as of December 31, 2004. An increase in depreciation expense of a further $4.1 million per year is required to true-up the existing variance in accumulated depreciation over the remaining lives of the assets. This will bring the total increase in annual expense to $14.3 million. This increase represents approximately 4% of total revenue requirement as approved in Hydro's 2004 Test Year.

Hydro endorses the recommendations of this study. The continued use of sinking fund methodology will result in a burden on future ratepayers in the Province. Hydro has not incorporated the report recommendations into this General Rate Application, but is requesting approval in principle of the change in depreciation

rates and methodology as detailed in the report. If approval in principle is obtained, Hydro would then proceed to implement the database and programming changes necessary to effect the change in methodology. During 2007, Hydro would present a detailed implementation plan to the Board for approval.

6.2 Rate Stabilization Plan

6.2.1 General

On January 1, 1986, Hydro implemented the RSP which provides for the deferral of cost variances resulting from changes in fuel prices, levels of precipitation and load. Adjustments are required in retail rates to cover the amortization of the balance in the plan and are implemented on July 1 of each year for NP. Similar adjustments required in industrial rates are implemented on January 1 of each year.

6.2.2 Historical Plan

The balances which had accumulated in the RSP prior to December 31, 2003, are being recovered over a five-year period which commenced in 2003 and ends, for the Industrial Customers, on December 31, 2007, and for Newfoundland Power, on June 30, 2008. Schedule I, Page 8 of 10 shows the details of the historical RSP plan balances from 2002 through forecast 2007.

6.2.3 Current Plan

Balances accumulating in the RSP from January 1, 2004, including financing charges, are to be recovered in the following year, with the exception of hydraulic variation, which will be recovered or refunded at a rate of 25% of the outstanding balance at year-end. Additionally, a fuel rider is calculated annually based on the forecast fuel price and is added to or subtracted from the rates that would otherwise be in effect. Schedule I, Page 8 of 10 shows the details of the current RSP plan balances from 2002 through forecast 2007.

6.3 Employee Future Benefits

Hydro provides a severance payment upon retirement and provides group life insurance and health care benefits on a cost-shared basis to retired employees. The expected cost of providing employee future benefits is accounted for on an accrual basis, and has been actuarially determined using the projected benefit method prorated on service and using management's best estimate of salary escalation, retirement ages of employees, and expected health care costs. The excess of cumulative net actuarial gains and losses over 10% of the accrued benefit obligation is amortized over the expected average remaining service life of the employee group, which is approximately 12 years. Schedule I, Page 9 of 10, shows the details of Hydro's employee future benefit liability and obligation for the period 2002 through forecast 2007.

6.4 Deferred Charges

Hydro estimates that $1.5 million in external regulatory costs will be incurred with respect to this proceeding and is proposing to defer and amortize these costs over a three-year period commencing in 2007, consistent with past practice.

Pursuant to Order No. P.U. 14 (2004), Hydro has conducted an independent study of the value of Newfoundland Power generation and a Marginal Cost Study and has accumulated these costs in a deferral account to be dealt with at this GRA. Hydro proposes to amortize these costs over three years commencing 2007.

During 2006, Hydro incurred costs pertaining to a repair of the boiler tubing of the Holyrood Unit # 2 boiler. Hydro is estimating that these costs will total approximately $2.2 million and has made a separate application to have these costs approved as a major extraordinary repair to be deferred and amortized over a five-year period.

In accordance with Board Order No. P.U. 2 (2005), Hydro continues to amortize costs associated with the Asbestos Abatement Program at Holyrood, in addition to the continuing amortization of foreign exchange losses.

Table 3

2007 Deferred Charges ($millions)

	Opening Balance	Additions	Amortization	Ending Balance
Foreign Exchange	75.5	-	2.2	73.3
Asbestos Abatement	6.0	1.7	1.5	6.2
General Rate Application	1.5	-	0.5	1.0
Studies	0.3	-	0.1	0.2
Holyrood Boiler #2 Tubing	2.0	-	0.4	1.6
Total	85.3	1.7	4.7	82.3
Average Deferred Charges in Rate base				83.8

6.5 Non-Regulated Expenses

6.5.1 Impact of Non-Regulated Operations on Capital Structure

A discussion of Hydro's methodology, as approved by the Board, for charging applicable costs to non-regulated operations is addressed in Mr. Sturge's evidence.

Hydro has taken steps to isolate the proportion of debt in the capital structure that pertains to non-regulated activity. While Hydro's cost of debt has not been impacted by non-regulated operations, an increasing level of non-regulated activity is expected to have an impact on the proportions of debt and equity in the corporate capital structure. Adjustment is required to eliminate these impacts and thereby compute a weighted average cost of capital that is based on the relative proportions of debt to equity in a regulated context only.

To accomplish this, Hydro restructured its interest calculation to incorporate a separate tracking of the debt impacts associated with non-regulated activities. This has been accomplished by creating separate debt pools specifically pertaining to recall revenues, Hydro's investment in Churchill Falls (Labrador) Corporation ("CF(L)Co") and expenditures pertaining to the Lower Churchill Project. Cash flows associated with these activities are tracked separately and interest calculated at a rate equal to the weighted average cost of capital. Through an iterative process, the related debt balances and interest impacts are removed in the calculation of Hydro's cost of debt, capital structure and weighted average cost of capital for regulated purposes.

6.5.2 CF(L)Co

Hydro provides administrative services to CF(L)Co in accordance with a cost recovery agreement. In 2007, it is forecast that $2.2 million will be recovered from CF(L)Co.

6.5.3 Non-Regulated Costs

In addition to charges to CF(L)Co for administrative services, the following costs have been excluded from Hydro's regulated revenue requirement and charged to non-regulated operations:

- Labour and related costs associated with non-regulated activities totalling $0.4 million have been removed from salaries;
- Administrative shared services associated with non-regulated activities including office space, telephones and computer usage totalling $0.2 million;
- Costs associated with export sales of recall power to Hydro Québec;
- Cost allocated to the supply of power to the Iron Ore Company of Canada of $2.9 million; and

- Costs pertaining to donations and a portion of advertising totaling $0.3 million.

Costs associated with staff directly assigned to non-regulated activity are charged directly to a non-regulated business unit and are not reflected in the above amounts.

6.6 Regulated versus Book Equity

In Order No. P.U. 14 (2004) the Board directed Hydro to file a report, as part of its next GRA, on the discontinuance of the use of regulated equity in favor of book equity. This report is contained in Exhibit MGB-2. The use of book equity is not appropriate for Hydro. Hydro segregates and tracks separately those portions of its capital structure which support regulated activities, non-regulated activities and investments in subsidiaries. The sum of the separate pools of equity is equal to the total equity which is reported in Hydro's financial statements. Hydro's regulated equity is a subset of its book equity. This differs from companies which do not have sources of unregulated income, in which case regulated equity exceeds book equity by an amount equal to cumulative disallowed or non-regulated expenses. Hydro's approach is appropriate for companies with both regulated and unregulated business activities within a single corporate structure.

6.7 Report on Property and Assets

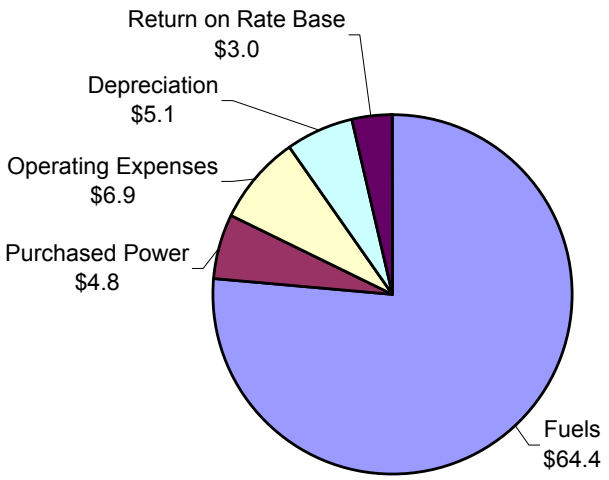
In Order No. P.U. 14 (2004), the Board directed Hydro to file as part of its next GRA a report with respect to the review of its property and assets. Hydro has recently completed a review to match physical plant records to equipment records to identify any differences and make the appropriate adjustments. Hydro has detailed the results of the process review of its property and assets and has also included a listing of its property and assets, the acquisition date, the original cost, the purpose of the asset, the net book value and, where applicable, the load served. This report is attached as Exhibit MGB-3.

7. 2007 REVENUE REQUIREMENT

7.1 Overview

Details of Hydro's forecast revenue requirement are outlined in Schedule III, Page 2 of 2. Total revenue requirement in 2007 is $443.4 million, an increase of $84.2 million over the 2004 Test Year level of $359.2 million. This represents a 23.5% increase, or a YOY increase of 7.3%. The major components of Hydro's revenue requirement consist of fuels, power purchases, depreciation, operating expenses and return on rate base. Chart 1 provides an overview of the relative impact of each of these components on the $84.2 million change in Hydro's revenue requirement.

Chart 1
2004 Cost of Service to 2007 Proposed
Change in Revenue Requirement
($millions)



The remainder of this section outlines the changes of these components.

7.1.1 Operating Expenses

Operating expenses are forecast to be $94.9 million as compared to $88.0 million contained in the 2004 Test Year. This represents an increase of 7.9% ($6.9 million), or an average YOY increase of 2.6%. A major contributing factor is the increase in deferred costs, particularly the amortization of costs relating to major extraordinary repairs totalling $1.9 million. Excluding the impacts of deferred costs, 2007 forecast operating expenses are higher than those in the 2004 Test Year by 5.4% ($4.8 million), or a YOY increase of 1.8%.

Details of the significant components of the $6.9 million increase are set out below. In addition, in order to provide the reader with some longer-term perspective on Hydro's cost trends, a comparison of 2007 costs to 2002 actual levels has also been provided in Schedule I, Page 10 of 10.

- Forecast 2007 total labour costs are higher than those in the 2004 Test Year by 6.6% ($3.7 million), or a YOY increase of 2.2%. When viewed in the longer term and compared to the 2002 actual, total 2007 labour costs are forecast to be higher by 5.1% ($2.9 million) representing a YOY increase of 1.0%. The change from 2004 is related to changes in a number of salary components as detailed in Table 4 below:

Table 4
Analysis of Changes in Labour Costs
($Millions)

	2004 Test Year	2007 Proposed	Variance $	Variance %	YOY %
Salaries and fringe benefits	$57.2	$60.1	$2.9	5.0%	1.6%
Vacancy allowance	($3.0)	($1.0)	$2.0	67.0%	18.6%
Employee future benefits	$3.7	$4.4	$0.7	18.2%	5.7%
Group Insurance	$1.9	$1.9	$0.0	0.0%	0.0%
Overtime	$2.9	$2.3	($0.6)	(20.7%)	(6.5%)
Capitalized labour costs	($7.1)	($8.4)	($1.3)	17.6%	5.5%
Total	$55.6	$59.3	$3.7	6.6%	2.2%

The 2004 Test Year for labour costs was influenced by assumptions regarding vacancy allowance. Hydro had originally forecast a test year vacancy allowance of $2.5 million consisting of $1.0 million for normal vacancies (2.5% of permanent salaries) and $1.5 million for future efficiencies resulting from process improvement initiatives. The Board increased Hydro's normal vacancy allowance to $1.5 million. Combined with the anticipated process improvement savings, this resulted in an overall vacancy adjustment of $3.0 million.

An analysis of Hydro's long-term vacancy allowance history since 1995 shows a ten-year average to 2004 of 1.9%, and when applied to 2007 forecast salaries, results in a vacancy allowance of $1.0 million. In more recent years, Hydro's actual achieved vacancy has been falling considerably, indicating tightness in complement levels. The five-year average for 2000 to 2004 is only 0.3% and recent actual results for 2005 indicate a similar level for that year.

Employee future benefits costs relate to retiring allowances and health benefits provided to retirees on a cost-shared basis. These costs are forecast using actuarial methods and include assumptions as to future benefit costs and interest rate expectations. In recent years, actuarial estimates have been influenced by steadily increasing health care costs. These cost pressures are reflected in Table 4 with 2007 forecast employee future benefits costs higher than those in the 2004 Test Year by 18.2% ($0.7 million), or a YOY increase of 5.7%.

Hydro's annual overtime costs can vary based on the anticipated work plan for a given year. 2007 forecast overtime costs are $0.6 million lower than those in the 2004 Test Year.

Forecast 2007 capitalized costs are higher than those in the 2004 Test Year by 17.6% ($1.3 million), or a YOY increase of approximately 5.5%.

In Order No. P.U. 14 (2004), the Board ordered an increase to the 2004 test year capitalized expense of $2 million. This was related to a consideration of historical actual results, which indicated a level of capitalized expense that was consistently higher than the levels initially forecast in Hydro's 2004 Test Year. The forecast 2007 capitalized costs of $8.4 million represent nearly 20% of Hydro's 2007 capital program. This level is consistent with that approved by the Board for the 2004 Test Year which, including the $2 million adjustment mentioned above, totalled $7.1 million or 20% of a $34.5 million capital program.

- Forecast 2007 system equipment maintenance is higher than the 2004 Test Year by 19.3% ($3.4 million), or a YOY increase of 6%. Excluding the effects of deferred major extraordinary repairs, forecast 2007 system equipment maintenance expenses are higher than those in the 2004 Test Year by 8.4% ($1.5 million), or a YOY increase of approximately 2.7%. The 2007 forecast includes costs pertaining to a major overhaul of Holyrood Unit # 3 totalling $2.7 million. When viewed in the longer term and compared to the 2002 actual Test Year, system equipment maintenance costs, excluding deferred costs, have increased by 10% ($1.7 million), or a YOY increase of 1.9%.

- Forecast 2007 office supplies expenses are higher than those in the 2004 Test Year by 10.2% ($0.2 million), or an average YOY increase of approximately 3.3%. The office supplies category consists of heat and light, telephone and fax, postage, advertising, books and subscriptions and memberships and dues expenses. Generally, increases have been moderate, although telephone and fax expenses are forecast to have increased by $118,000, or a 20% increase over the 2004 Test Year. This increase is a reflection of Hydro's increased use of communication devices designed to enhance efficiency. When viewed in the longer term

and compared to the actual 2002 Test Year, office supplies expenses have increased by 13.6% ($0.3 million), or a YOY increase of 2.6%.

- Forecast 2007 miscellaneous expenses are higher than those in the 2004 Test Year by 13.9% ($0.6 million), or an average YOY increase of approximately 4.4%. The 2007 forecast miscellaneous expenses include $0.5 million for Hydro's conservation program. When viewed in the longer term and compared to the 2002 actual Test Year, miscellaneous expenses, including the conservation program expenditure, have increased by 1.9% ($0.1 million), or a YOY increase of 0.4%.

- Forecast 2007 transportation costs are higher than those in the 2004 Test Year by 15.3% ($0.3 million), or a YOY increase of 4.9%. Increases in transportation costs are primarily related to increased costs for vehicle fuels and helicopter rentals. Increases in vehicle fuels have been driven by world oil markets. In the "Regulated Activities" evidence, Mr. Haynes outlines steps taken to mitigate costs associated with the usage of helicopters. When viewed in the longer term and compared to the actual 2002 expenses, transportation costs have increased by 2.5% ($0.05 million), or a YOY increase of 0.5%.

- Forecast 2007 cost recoveries are higher than those in the 2004 Test Year by $1 million, due to a proposed Federal Government contribution towards the provision of electrical service to the community of Natuashish of $0.7 million and a $0.3 million increase in recoveries from CF(L)Co.

- Other costs having lesser impact are also forecast to be higher than those in the 2004 Test Year including insurance, professional services and travel expenses. All forecast YOY increases for these costs are less than forecast inflation for that same period. There have also been reductions in forecast 2007 costs in the areas of building rentals and maintenance and equipment rentals.

7.1.2 Fuels

Forecast fuel expense for 2007 is based on the May 2006 forecast of the PIRA Energy Group. Fuel expense is forecast to increase by 70.7% ($64.4 million) in 2007, or YOY increase of 19.5%, as compared to that which was for the 2004 Test Year. A discussion of the components of this change is contained in the "Regulated Activities" evidence.

7.1.3 Power Purchases

Power purchases have increased by 14.2% ($4.8 million), or a YOY increase of 4.5%. This is primarily the result of increases in rates from power purchase agreements affected by fuel, and to a lesser extent, CPI escalators. A more detailed discussion of power purchase costs is contained in the "Regulated Activities" evidence.

7.1.4 Depreciation

Depreciation expense has increased by 14.3% ($5.1 million), or a YOY increase of 4.6%. Hydro's investment in plant was forecast at $1,936,000,000 in the 2004 Test Year and is now forecast at $2,016,000,000 in the 2007 Test Year. The increase in depreciation expense reflects Hydro's continued investment in the electrical system.

7.1.5 Return on Rate Base

Components of the return on rate base were outlined in Section 4 of this evidence. Return on rate base is the sum of the return on debt and return on regulated equity as applied to the rate base. Hydro's approved rate of return on rate base was set at 7.47% as per Order No. P.U. 14 (2004). Hydro is proposing the rate be set at 7.63% in 2007. The increase in Hydro's proposed rate of return is largely related to changes in the forecast cost of debt, which has increased from 7.97% in 2004 to 8.39% in 2007. Short-term borrowing rates, in particular, are expected to increase significantly over the 2004 to 2007 time period.

Government of Canada treasury bills are expected to increase from 2.5% at the beginning of 2004 to 4.0% by the end of 2007. This was partially offset by a reduction in the proportion of forecast debt in the capital structure.

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Income Statement
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Revenue						
2	Energy Sales	308,215	321,139	342,622	349,889	344,380	441,375
3	Other Revenue	1,589	2,257	2,240	2,253	1,940	2,021
4	Total Revenue	309,804	323,396	344,862	352,142	346,320	443,396
5							
6	Expenses						
7	Operating Expenses	88,515	87,488	85,951	89,877	89,289	94,884
8	Fuels	73,249	84,594	83,109	84,537	83,264	155,614
9	Purchased Power	15,881	26,064	35,343	36,156	37,716	38,348
10	Depreciation and Loss on Disposal	33,870	35,700	36,611	38,771	37,475	40,762
11	Interest	88,547	92,138	96,527	99,479	101,721	102,680
12	Total Expenses	300,062	325,984	337,541	348,820	349,465	432,288
13							
14	Net Income	9,742	(2,588)	7,321	3,322	(3,145)	11,108
15							
16	Retained Earnings						
17	Balance at Beginning of the Period	269,770	213,789	204,927	211,012	212,530	209,385
18	Dividends	65,723	6,274	1,236	1,804	0	2,777
19	Balance at End of the Period	213,789	204,927	211,012	212,530	209,385	217,716
20							
21	Rate of Return on Regulated Equity	4.03%	-1.24%	3.52%	1.57%	-1.49%	5.20%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Balance Sheet
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	**Assets**						
2	Capital assets						
3	Capital assets in service	1,755,560	1,902,508	1,920,225	1,936,965	1,973,736	2,016,023
4	Less: Contributions in aid of construction	87,569	85,055	85,082	84,626	88,982	92,256
5	Accumulated depreciation	433,572	456,695	481,799	506,376	528,004	560,713
6		1,234,419	1,360,758	1,353,344	1,345,963	1,356,750	1,363,054
7	Construction in progress	104,447	1,432	3,673	7,519	6,217	275
8		1,338,866	1,362,190	1,357,017	1,353,482	1,362,967	1,363,329
9	Current assets						
10	Accounts receivable	46,570	44,646	56,024	57,269	58,015	65,754
11	Fuels and supplies at average cost	40,013	40,682	39,897	51,242	41,371	37,833
12	Prepaid expenses	2,201	2,052	1,587	1,859	2,071	2,160
13		88,784	87,380	97,508	110,370	101,457	105,747
14	Rate stabilization plans	124,765	155,705	137,041	93,065	33,350	(6,186)
15	Deferred Charges	88,771	88,662	84,643	84,783	88,833	85,216
16		1,641,186	1,693,937	1,676,209	1,641,700	1,586,607	1,548,106
17							
18	**Liabilities and Shareholder's Equity**						
19	Long-term debt	1,179,933	1,279,291	1,252,630	1,217,315	1,186,792	1,126,192
20	Current liabilities						
21	Bank indebtedness	4,129	5,679	7,387	4,596	0	0
22	Accounts payable and accrued liabilities	51,797	42,447	40,828	49,322	16,920	14,441
23	Accrued interest	27,215	30,168	30,056	29,284	31,270	31,267
24	Promissory notes	139,391	104,486	104,581	96,387	107,082	120,338
25		222,532	182,780	182,852	179,589	155,272	166,046
26	Employee future benefits	24,932	26,939	29,715	32,266	35,158	38,152
27	Shareholder's equity						
28	Retained earnings	213,789	204,927	211,012	212,530	209,385	217,716
29		1,641,186	1,693,937	1,676,209	1,641,700	1,586,607	1,548,106

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Statement of Cash Flows
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Cash provided by (used in)						
2	Operating activities						
3	Net income	9,742	(2,588)	7,321	3,322	(3,145)	11,108
4	Adjusted for items not involving a cash flow						
5	Depreciation and Amortization	35,225	37,146	37,318	39,412	41,106	44,390
6	Rate stabilization plan	(39,697)	(30,940)	18,664	43,975	59,715	39,536
7	Other	25	3,332	2,745	4,219	1,265	2,849
8		5,295	6,950	66,048	90,928	98,941	97,883
9	Change in working capital balances	12,668	(1,436)	(7,375)	(5,380)	(23,209)	(3,779)
10		17,963	5,514	58,673	85,548	75,732	94,104
11	Financing activities						
12	Long-term debt issued	250,000	125,000	0	0	225,000	0
13	Long-term debt retired	(106,721)	(6,748)	(5,096)	(16,666)	(237,012)	(40,870)
14	Dividends	(65,723)	(6,274)	(1,236)	(1,804)	0	(2,777)
15		77,556	111,978	(6,332)	(18,470)	(12,012)	(43,647)
16	Investing activities						
17	Net additions to capital assets	(101,158)	(59,479)	(31,371)	(35,338)	(47,008)	(42,303)
18	Increase in sinking funds	(14,123)	(19,226)	(21,565)	(19,474)	(18,509)	(19,729)
19	Reduction (additions) to deferred charges	6,734	(3,882)	500	(4,072)	(8,898)	(1,681)
20		(108,547)	(82,587)	(52,436)	(58,884)	(74,415)	(63,713)
21	Net (increase) decrease in promissory notes	(13,028)	34,905	(95)	8,194	(10,695)	(13,256)
22	Promissory notes, beginning of year	(126,363)	(139,391)	(104,486)	(104,581)	(96,387)	(107,082)
23	Promissory notes, end of year	(139,391)	(104,486)	(104,581)	(96,387)	(107,082)	(120,338)

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Capital Structure
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Regulated Capital Structure ($):						
2	Debt	1,319,324	1,383,777	1,357,211	1,313,702	1,293,874	1,246,530
3	less: Debt Discount and Financing Expenses	(3689)	(4377)	(3383)	(2469)	(3504)	(2861)
4	Net Debt	1,315,635	1,379,400	1,353,828	1,311,233	1,290,370	1,243,669
5	Employee future benefits	24,932	26,939	29,715	32,266	35,158	38,152
6	Retained Earnings	213,789	204,927	211,012	212,530	209,385	217,716
7	Total	1,554,356	1,611,266	1,594,555	1,556,029	1,534,913	1,499,537
8							
9	Regulated Capital Structure (%):						
10	Debt	84.64%	85.61%	84.90%	84.27%	84.07%	82.94%
11	Employee future benefits	1.60%	1.67%	1.86%	2.07%	2.29%	2.54%
12	Retained Earnings	13.75%	12.72%	13.23%	13.66%	13.64%	14.52%
13	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
14							
15	Regulated Average Capital Structure (%):						
16	Debt		85.13%	85.26%	84.59%	84.17%	83.50%
17	Employee future benefits		1.64%	1.77%	1.97%	2.18%	2.42%
18	Retained Earnings		13.24%	12.98%	13.45%	13.65%	14.08%
19	Total		100.00%	100.00%	100.00%	100.00%	100.00%
20							
21	Weighted Average Cost of Capital (WACC)						
22	Embedded Cost of Debt		7.87%	7.80%	7.80%	7.80%	8.39%
23	Employee future benefits		0.00%	0.00%	0.00%	0.00%	0.00%
24	Retained Earnings		3.00%	5.83%	5.83%	5.83%	5.20%
25	WACC		7.10%	7.41%	7.38%	7.36%	7.74%
26							
27							
28	Note:						
29							
30	Average capital structure is the average of beginning of year and end of year balances.						

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Rate Base
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Capital Assets	1,755,560	1,902,504	1,920,225	1,936,965	1,973,736	2,016,023
2	Less: Contributions in aid of construction	87,569	85,055	85,082	84,626	88,982	92,256
3	Accumulated Depreciation	433,572	456,695	481,799	506,376	528,004	560,713
4	Balance - Current Year	1,234,419	1,360,754	1,353,344	1,345,963	1,356,750	1,363,054
5	Balance - Previous Year	1,224,068	1,234,419	1,360,754	1,353,344	1,345,963	1,356,750
6	Average	1,229,244	1,297,587	1,357,049	1,349,654	1,351,357	1,359,902
7							
8	Cash Working Capital Allowance	3,579	3,456	2,945	2,711	3,661	3,056
9	Fuel	17,715	18,310	15,611	21,506	24,318	24,470
10	Materials and Supplies	19,966	18,565	18,615	19,912	19,912	19,912
11	Deferred Charges	85,703	84,494	82,506	81,778	83,819	83,843
12							
13	Average Rate Base	1,356,207	1,422,412	1,476,726	1,475,561	1,483,067	1,491,183

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Rate of Return on Rate Base
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Return on Regulated Equity	9,742	(2,588)	7,321	3,322	(3,145)	11,108
2							
3	Interest expense						
4	Gross Interest	95,159	103,941	104,936	101,153	102,796	101,398
5	Debt guarantee fee	12,170	13,908	14,587	14,099	13,995	13,645
6	Amortization of debt issue expenses	1,178	896	996	917	921	643
7	Amortization of foreign exchange losses	2,157	2,155	2,159	2,291	2,157	2,157
8	Allowance for funds used during construction	(7,679)	(7,254)	(3,595)	(518)	(1,276)	(1,021)
9	Interest Earned	(14,438)	(21,508)	(22,556)	(18,463)	(16,872)	(14,142)
10	Net interest	88,547	92,138	96,527	99,479	101,721	102,680
11							
12	Return on Rate Base	98,289	89,550	103,848	102,801	98,576	113,788
13							
14	Average Rate Base	1,356,207	1,422,412	1,476,726	1,475,561	1,483,067	1,491,183
15							
16	Rate of Return on Rate Base	7.25%	6.30%	7.03%	6.97%	6.65%	7.63%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Revenue Requirement Analysis
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Revenue						
2	Revenue from Rates	308,215	321,139	342,622	349,889	344,380	441,375
3	Other Revenue	1,589	2,257	2,240	2,253	1,940	2,021
4	Total Revenue	309,804	323,396	344,862	352,142	346,320	443,396
5							
6	Expenses						
7	Operating Expenses	88,515	87,488	85,951	89,877	89,289	94,884
8	Fuel	73,249	84,594	83,109	84,537	83,264	155,614
9	Purchased Power	15,881	26,064	35,343	36,156	37,716	38,348
10	Depreciation and Loss on Disposal	33,870	35,700	36,611	38,771	37,475	40,762
11		211,515	233,846	241,014	249,341	247,744	329,608
12							
13	Return on Rate Base	98,289	89,550	103,848	102,801	98,576	113,788
14							
15	Rate of Return on Rate Base	7.25%	6.30%	7.03%	6.97%	6.65%	7.63%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Rate Stabilization Plan
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Historical RSP Balances						
2	Utility	76,245	70,208	101,659	79,781	52,656	19,313
3	Industrial	28,024	24,354	32,269	25,086	18,483	(1,164)
4	Total	104,269	94,562	133,928	104,867	71,139	18,149
5							
6	Current RSP						
7	Hydraulic			(5,522)	(10,625)	(17,166)	(12,875)
8	Utility	15,802	44,582	4,910	120	(8,600)	(11,867)
9	Industrial	4,694	16,561	3,725	(1,296)	(12,023)	(639)
10	Total	20,496	61,143	3,113	(11,801)	(37,789)	(25,381)
11							
12	Combined RSP Balances	124,765	155,705	137,041	93,066	33,350	(7,232)
13							
14	Average fuel price per barrel	$30.60	$37.32	$31.02	$37.59	$53.61	$56.12

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Employee Future Benefits
($000s)

		Actual				Forecast	Proposed
		2002	2003	2004	2005	2006	2007
1	Accrued EFB Liability						
2	Balance at beginning of year	24,059	24,933	26,939	29,715	32,266	35,158
3	Current Service	763	1,062	1,308	1,357	1,357	1,357
4	Interest	1,683	2,248	2,395	2,486	2,625	2,780
5	Amortization of actuarial losses		304	579	465	410	357
6	Benefits paid	(1,572)	(1,607)	(1,505)	(1,757)	(1,500)	(1,500)
7	Balance at end of year	24,933	26,939	29,715	32,266	35,158	38,152
8							
9	Unamortized losses		6,616	10,241	9,120	8,710	8,353
10	Accrued EFB Obligation		33,555	39,956	41,386	43,868	46,505

Newfoundland and Labrador Hydro
Operating Expenses by Cost Type
($000s)

		Actual				Forecast	
	Cost Type	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
1							
2	Salaries & Benefits	57,080	55,503	55,802	57,236	56,883	59,051
3	Employee Future Benefits	2,446	3,614	4,281	4,300	4,360	4,406
4	Group Insurance	1,123	1,421	1,412	1,557	1,692	1,864
5	Overtime	2,892	2,579	2,354	2,955	2,360	2,345
6	Capitalized Salaries	(7,098)	(8,120)	(7,727)	(10,314)	(9,373)	(8,353)
7	**Total Labour**	56,443	54,997	56,122	55,733	55,922	59,312
8							
9	System Equipment Maintenance	17,176	18,034	17,343	21,218	17,668	18,898
10	Office Supplies	1,857	1,922	1,846	1,948	2,103	2,109
11	Professional Services	5,318	4,490	3,288	3,521	4,872	4,071
12	Insurance	1,198	1,655	1,682	1,675	1,850	2,123
13	Equipment Rentals	1,372	1,453	1,269	1,129	1,240	1,524
14	Travel	2,315	2,233	2,207	2,368	2,455	2,499
15	Miscellaneous	4,674	4,191	4,369	4,355	4,221	4,765
16	Building Rental & Maintenance	900	850	752	778	911	851
17	Transportation	1,979	1,847	1,681	1,610	2,047	2,029
18	**Total Other**	36,791	36,676	34,438	38,602	37,367	38,870
19		0					
20	Cost Recoveries	(2,006)	(1,874)	(2,192)	(2,197)	(2,999)	(2,899)
21	Allocated to non-regulated customer	(2,914)	(2,914)	(2,778)	(3,114)	(2,619)	(2,897)
22							
23	**Normal Operating Expenses**	**88,314**	**86,885**	**85,591**	**89,024**	**87,671**	**92,386**
24							
25	Deferred Regulatory Costs	201	603	360	720	720	597
26	Deferred Major Extraordinary Repairs	0	0	0	133	898	1,901
27	**Total Operating Expenses**	88,515	87,489	85,951	89,877	89,289	94,884

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Income Statement
($000s)

		COS	Existing
		2004	2007
1	Revenue		
2	Energy Sales	357,225	353,741
3	Other Revenue	1,928	2,021
4	Total Revenue	359,153	355,762
5			
6	Expenses		
7	Operating Expenses	87,975	94,287
8	Fuels		
9	No. 6 fuel	83,609	142,488
10	less: RSP deferral		(63,729)
11	Diesel and other	7,558	13,126
12	Total fuels	91,167	91,885
13	Purchased Power	33,594	38,348
14	Depreciation and Loss on Disposal	35,648	40,762
15	Interest	99,158	103,032
16	Total Expenses	347,542	368,314
17			
18	Net Income	11,611	(12,552)
19			
20	Retained Earnings		
21	Balance at Beginning of the Period	204,115	212,823
22	Dividends	2,903	0
23	Balance at End of the Period	212,823	200,271
24			
25	Rate of Return on Regulated Equity	5.57%	-6.08%
26			
27	Return on Ratebase	110,769	90,480
28			
29	Ratebase	1,483,506	1,490,551
30			
31	Rate of Return on Ratebase	7.47%	6.07%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Rate Base and Rate of Return on Rate Base
($000s)

		COS	Existing	Proposed
		2004	2007	2007
1	Plant Investment	1,936,056	2,016,023	2,016,023
2	Less: Contributions in aid of construction	85,906	92,256	92,256
3	Accumulated Depreciation	492,921	560,713	560,713
4	Balance - Current Year	1,357,229	1,363,054	1,363,054
5	Balance - Previous Year	1,371,366	1,356,750	1,356,750
6	Average	1,364,298	1,359,902	1,359,902
7				
8	Cash Working Capital Allowance	3,050	3,626	3,056
9	Fuel	14,385	24,470	24,470
10	Materials and Supplies	19,387	19,912	19,912
11	Deferred Charges	82,386	82,641	83,843
12				
13	Average Rate Base	1,483,506	1,490,551	1,491,183

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Revenue Requirement Analysis
($000s)

		COS	Proposed	Variance		
		2004	2007	$	%	YOY %
1	Revenue					
2	Revenue from Rates	357,225	441,374	84,149	23.6%	7.3%
3	Other Revenue	1,928	2,021	93	4.8%	1.6%
4	Total Revenue	359,153	443,395	84,242	23.5%	7.3%
5						
6	Expenses					
7	Operating Expenses					
8	Salaries and Fringe Benefits	55,638	59,312	3,674	6.6%	2.2%
9	System Equipment Maintenance	17,440	20,799	3,359	19.3%	6.0%
10	Insurance	2,019	2,123	104	5.2%	1.7%
11	Transportation	1,759	2,029	270	15.3%	4.9%
12	Office Supplies Expenses	1,913	2,109	196	10.2%	3.3%
13	Building Rentals and Maintenance	894	851	(43)	-4.8%	-1.6%
14	Professional Services	4,453	4,668	215	4.8%	1.6%
15	Travel Expenses	2,395	2,499	104	4.3%	1.4%
16	Equipment Rentals	1,756	1,524	(232)	-13.2%	-4.6%
17	Miscellaneous Expenses	4,185	4,765	580	13.9%	4.4%
18	Cost Recoveries	(1,858)	(2,899)	(1,041)	56.0%	16.0%
19	Allocated to non-regulated customer	(2,619)	(2,897)	(278)	10.6%	3.4%
20	Net Operating Expenses	87,975	94,883	6,908	7.9%	2.6%
21	Fuels					
22	No. 6 fuel	83,609	142,488	58,879	70.4%	19.4%
23	less: RSP deferral		(38)	(38)	0.0%	0.0%
24	Diesel and other	7,558	13,164	5,606	74.2%	20.3%
21	Total fuels	91,167	155,614	64,447	70.7%	19.5%
22	Purchased Power	33,594	38,348	4,754	14.2%	4.5%
23	Depreciation	35,648	40,762	5,114	14.3%	4.6%
24		248,384	329,607	81,223	32.7%	9.9%
25						
26	Return on Rate Base	110,769	113,788	3,019	2.7%	0.9%
27						
28	Average Rate Base	1,483,506	1,491,183	7,678	0.5%	0.2%
29						
30	Rate of Return on Rate Base	7.47%	7.63%			
31						
32	Lower end of range - .15	7.32%	7.48%			
33						
34	Higher end of range + .15	7.62%	7.78%			

Newfoundland and Labrador Hydro
Forecast Average Cost of Debt
As At December 31
($000s)

	Series	Interest Rate %	Year of Issue	Year of Maturity	Forecast 2006	Proposed 2007
	AC	5.05	2001	2006		
	AA	5.50	1998	2008	200.0	200.0
	V	10.50	1989	2014	125.0	125.0
	X	10.25	1992	2017	150.0	150.0
	Y	8.40	1996	2026	300.0	300.0
	AB	6.65	2001	2031	300.0	300.0
	AD	5.70	2003	2033	125.0	125.0
		4.50	2006	2016	225.0	225.0
	Total debentures				1,425.0	1,425.0
	Capital Leases				0.5	0.3
	Total long-term debt				1,425.5	1,425.3
	Promissory notes				113.0	131.7
	Less: Sinking funds				(173.5)	(193.2)
	CF(L)Co. Share purchase debt				(19.4)	(16.6)
	Non-regulated debt pool				(51.8)	(100.7)
	Unamortized Debt discount & financing				(3.5)	(2.9)
	Total Debt				1,290.4	1,243.7
	Average Debt					1,267.0
	Embedded Cost of Debt ($)					
	Gross Interest		108.1			
	Amortization of debt issue expenses		0.6			
	Amortization of foreign exchange loss		2.2			
	Guarantee fee		13.6			
	CF(L)Co. Share Purchase interest		(1.2)			
	Non-regulated Debt pool interest		(5.4)			
	Sinking fund interest		(11.6)			106.3
	Embedded Cost of Debt (%)					8.388%

Robert D. Greneman, P.E.
Associate Director
Stone & Webster Management Consultants, Inc.
1 Penn Plaza
New York, NY 10119

At the hearing into Newfoundland and Labrador Hydro's General Rate Application, the Cost of Service Evidence will be adopted by Robert D. Greneman, P.E., Associate Director with Stone & Webster Management Consultants, Inc. (Stone & Webster Consultants). Mr. Greneman will also offer evidence in the following areas:

- The status of the demand and energy rate for service to Newfoundland Power that was ordered by this Board in Order No. P.U. 14 (2004);
- A summary of the findings and recommendations in the report conducted by Stone & Webster Consultants, titled Review of Newfoundland and Labrador Hydro's Treatment of Newfoundland Power Generation, and filed in this proceeding; and
- Impacts of the Marginal Cost Study for Newfoundland Power and Island Industrial Customers.

A witness profile for Mr. Greneman is as follows:

- From 1973 through 1978 Mr. Greneman was employed by Alan J. Schultz, Consulting Engineer (later Casazza, Schultz & Associates), a firm that specialized in economic studies and rate work for electric, gas and water utilities. In 1978 he joined Stone & Webster Consultants, where, as a consultant he has assisted utility companies in rate and regulatory matters. From 1983 to 1986 he was employed by the Brooklyn Union Gas Company in the Rate and Regulatory Department where he was responsible for conducting the Company's cost of service studies, rate

design and the review of gas purchase contracts. In 1986 he rejoined Stone & Webster Consultants as an executive consultant in the Rate and Regulatory Services Department.

- Mr. Greneman has prepared cost of service and rate design studies for an extensive number of clients including:

  Canada:

  Centra Gas British Columbia (Terasen Gas), Centra Gas Manitoba, Inc., Gaz Metropolitan, Inc. (Montreal), Halifax Regional Municipality, ICG Utilities (Toronto) and Winnipeg Hydro

  U.S. and Other:

  Alpena Power Company (MI), Barbados Light & Power Company, Ltd., Blackstone Valley Electric Company, Brockton Edison Company, Central Illinois Light Company, Chesapeake Utilities Corporation, China Light & Power Company, Ltd. (Hong Kong), Citizens Utilities Company, City of Westfield, MA, Colorado Electric Company, Commonwealth Edison Company, Consolidated Edison Company of New York, Dayton Power & Light Company, Delmarva Power & Light Company, Delta Natural Gas Company, Edison Sault Electric Company, El Paso Electric Company, Energy Services of Pensacola, Equitable Gas Company, Fall River Electric Light Company, Florida Public Utilities Company, Gas del Estado (Buenos Aires), Green Mountain Power Company, Guyana Electricity Corporation, Holyoke Department of Gas & Electric (MA), Jamaica Water Supply Company, Lake Superior District Power Company, Louisville Gas & Electric Company, Northern Indiana Public Service Company, Montana-Dakota Utilities Co., Midland Electric Power Cooperative (IA), Newport Electric Corporation, Roseville Electric (CA), Tampa Electric Company, South Jersey Gas Company, Southwest Louisiana Electric Membership Corporation, Southern Indiana Gas and Electric Company, Suffolk County

Water Authority (NY), Valley Gas Company (RI), and Washington Natural Gas Company

- Mr. Greneman has provided expert testimony before the Delaware Public Service Commission, the Indiana Utility Regulatory Commission, the Iowa Utilities Board, the Commonwealth of Kentucky Public Service Commission, the Louisiana Public Service Commission, the Michigan Public Service Commission, the Newfoundland and Labrador Board of Commissioners of Public Utilities, the Nova Scotia Utility and Review Board and the Federal Energy Regulatory Commission.
- Mr. Greneman is a licensed professional engineer in the states of New York and New Jersey.
- Robert Greneman appeared before the Board during Hydro's 2003 General Rate Application.

Cost of Service

Evidence Outline

Page

1. COST OF SERVICE

1.1 COS Study

A Cost of Service ("COS") study is the industry standard against which rates are judged to be equitably distributed among customer classes and hence, non-discriminatory. Hydro's COS continues to be a key tool in setting rates to its customers. The 2007 test year COS study incorporates methodologies that have been approved by the Board. None of the recommendations or results from the Newfoundland Power Generation Report, Rate Stabilization Plan Report or Marginal Cost Study have been included in the COS. The following sections provide an overview of the existing methodologies.

1.2 COS Process

The COS study is based on Hydro's embedded costs for the 2007 forecast year. As in its prior studies, Hydro first systemizes costs into its five discrete systems. For each system, a three-step approach of functionalization, classification and allocation is used.

This widely used three-step process facilitates the determination of a revenue requirement for each class by function, and the development of unit costs, which serve as an important guide in the rate design process.

The procedures used throughout the study are in accordance with those accepted by this Board, and based on my review, are consistent with industry practice.

The procedures that were used are discussed below.

1.3 Systemization

Hydro performs a COS study for each of the five geographic areas it serves. The five areas are: Island Interconnected, Island Isolated, Labrador Isolated, L'Anse au Loup and Labrador Interconnected. In general, plant that is located within

each area along with its associated expenses are directly assigned to that area. Customer-related costs are systemized using customer ratios. Costs, such as Administrative and General ("A&G") expenses, which are generally not identifiable with a specific service area or function, are systemized and functionalized based on plant or expense ratios, as appropriate to the nature of the expense.

1.4 Functionalization

Functionalization takes the costs in each system and assigns them to the various steps in the process of producing, transmitting, distributing and billing for electricity. These steps, or functional categories, are generally defined in a cost study either to track costs associated with a particular function (e.g., generation or transmission) or to allow a different allocation factor to be applied to sub-functions within a function (e.g., distribution primary vs. distribution secondary).

Most plant and operating expenses are readily identifiable such that functionalization of these costs is rather straightforward. However, A&G expenses and general plant are indirect in nature and require different treatment. A&G expenses are functionalized using either plant or expense ratios, based on the nature of the expense.

In performing a COS study, a distinction is made between plant from a physical versus operational perspective. An example is transmission lines that function as generator leads to integrate the source of power with the backbone transmission system. These lines are assigned to the generation function for cost study purposes.

Distribution lines are assigned between primary and secondary functions based on an analysis of the type of poles and conductor that are installed for each voltage level. Distribution expenses are generally functionalized based on plant. Services, meters and street lighting plant are directly assigned to their respective functions.

1.5 Classification

The second step in the costing process is classification. In this step, each functionalized cost group is separated into demand, energy and customer-related components based on the predominant factor for cost causation.

Some costs are related to the quantity of energy produced or sold. These are known as energy-related costs. The cost of fuel and the energy component of purchased power are generally recognized as energy-related costs.

Demand or capacity-related costs are those associated with the maximum rate at which energy is used. Significant portions of generation, transmission and distribution facilities are considered to be demand-related because the investment in these facilities is related to the size of the facility, and facilities are generally sized to provide service under peak demand conditions.

Customer-related costs are those that are associated with serving customers regardless of either the amount of energy used or the maximum demand. For example, every customer has a meter and a service and the costs associated with metering and billing are not related to consumption. These costs are commonly considered to be allocable on factors that are related to the number of customers.

1.6 Allocation

The third step, allocation of costs, is the process of cost assignment whereby each class of service receives a proportionate cost responsibility for each of the functionalized and classified cost groups. This is accomplished by a combination of direct assignment and by allocation factors that are based on the ratio of the amount of demand, energy produced, or number of customers for each class of service to the system total. Customer classes in the COS study generally correspond with the rate schedules in each of Hydro's systems.

1.6.1 Energy Allocation Factors

Energy factors are developed by starting with forecast sales by customer class within each system and adding losses to get to the source, or input to each system.

1.6.2 Demand Allocation Factors

Demand factors are developed for each voltage level of supply based on a measure of the maximum load imposed at that voltage level, recognizing:

- customer load served at each voltage level;
- the level of diversity associated with each voltage level; and
- losses.

The demand components of generation and transmission costs are allocated to classes using a 1 CP factor as approved by the Board. Lines and terminal station assets that exclusively serve Newfoundland Power (“NP”) or Industrial Customers are directly assigned.

Distribution substations and the demand component of distribution primary and secondary lines in each system are also allocated using the 1 CP method in accordance with approved methodology.

1.6.3 Customer Allocation Factors

The customer component of primary and secondary distribution lines, transformers, and customer accounting expenses are allocated based on the number of distribution customers in each system. Services and meter expenses are allocated based on weighted customers.

Revenues from non-firm sales customers are credited to the firm customers' revenue requirement.

1.7 Changes Other Than Methodology

Group Insurance and Employee Future Benefits costs, which were previously charged to A&G expenses, are now part of direct costs. This is seen to be more accurate for cost of service purposes, as previously these costs were functionalized on direct expenses.

1.8 Organization of the COS Study

The COS study is attached to this evidence as Exhibit RDG-1, and is organized into the following sections:

- Schedule 1.1 Revenue Requirement and Return on Rate Base
- Schedule 1.2 Revenue to Cost Ratios
- Schedule 1.3 Unit Costs (all systems)
- Schedule 1.4 Rate Calculations for Newfoundland Power
- Schedule 1.5 Calculation of Firming-up Charge
- Schedule 1.6 Calculation of Transmission Wheeling Charge
- Schedules 2.1-2.6 Functionalization and Classification by System
- Schedules 3.1-3.3 Allocation by System
- Schedule 4.1 Functionalization and Classification Ratios
- Schedule 4.2 System Load Factor
- Schedule 4.3 Holyrood Capacity Factor
- Schedule 4.4 Power Purchases – Total System

1.9 Study Results

Hydro's revenue requirement includes return on rate base. The rates of return for each system are shown in Schedule 1.1, Page 2 of 2. The system revenue requirements based on the target rates of return are contained in Schedule 1.1, Page 1 of 2. Schedule 1.2 develops revenue to cost coverage ratios as forecast revenues divided by allocated costs. The rural deficit in the cost study is allocated to Newfoundland Power and to Rural Labrador Interconnected Customers.

Unit costs for each customer class, before and after the deficit allocation, are shown in Schedule 1.3. These unit costs, which are expressed in terms of $/kW, $/kWh and $/bill, are not rates per se, but serve a key role in the design of Hydro's proposed rates.

2. Newfoundland Power Rate Design

2.1 Status of the Demand and Energy Rate

Stone & Webster Consultants filed a study in Hydro's last rate case concerning a demand and energy rate structure applicable to NP. Previously, NP had been served by Hydro under an energy-only rate. The study, titled Review of Rate Design for Newfoundland Power, recommended a rate structure with a demand charge based on Hydro's total demand-related generation and transmission costs. Billing demand would be based on NP's peak native load during the four-month winter period, December through March, less credits for its hydraulic generation and thermal generation capacity, net of reserves. The energy portion of the rate would be comprised of fuel, the energy portion of Hydro's generation and customer-related costs, specifically assigned charges and NP's allocated portion of the rural deficit. The energy rate was proposed to be a two-block inverted rate, with the second block rate representing the test year cost of fuel at Holyrood.

In Order No. P.U. 44 (2004), the Board adopted this form of rate structure, and ordered that the demand charge be phased-in to reflect full demand cost recovery over a three-year period beginning January 1, 2005. The third year, beginning January 1, 2007, reflects 100% of NP's demand costs based on Hydro's 2007 test year revenue requirement. As the demand charge is phased in to 100%, the first block energy charge is decreased and changes the price relationship between the two energy blocks.

The magnitude of the change is illustrated in Table 1, which compares the energy rate to NP in the final year of the phase-in under Hydro's existing revenue requirement, with the energy rates under its proposed revenue requirement.

Table 1

Current versus Proposed Energy Rate to NP		
	Energy Rates In Year 3 of Phase-in	
Block	**2004 Revenue Requirement**	**2007 Proposed Revenue Requirement**
	----$/kWh ----	
First 250 GWh	$ 0.02749	$ 0.01917
Over 250 GWh	$ 0.04700	$ 0.08907

The increased price of fuel is the principal reason for the greater difference between the blocks. The inverted energy rate structure that was put in place for NP is better suited to providing a proper price signal for the conservation of natural resources than a flat energy rate.

3. Review of Hydro's Treatment of NP Generation

3.1 Background

In response to a request by Hydro, Stone & Webster Consultants performed an independent study regarding an appropriate treatment of NP generation. The need for the study was the result of the Board's Order No. P.U. 14 (2004), in which the Board accepted Hydro's treatment of NP's hydraulic and thermal generation in the COS study, but directed Hydro:

> "… to commission an independent study, to be filed with its next general rate application, of the treatment of NP's generation. This study should assess the value of NP's generation to the system and make recommendations on how the generation should be accounted for, both operationally and financially, in the COS study and rate design."

3.2 Procedure

In order to address the Board's request, our review investigated the treatment of generation from a planning, operating, and financial perspective by assessing how Hydro includes non-Hydro owned generation in the long-term resource plans for the system as a whole, identifying the operational actions taken by Hydro with respect to these resources, and evaluating the financial treatment from a COS perspective.

Based on the concerns raised by the parties, Stone & Webster Consultants identified issues that included:

- Hydraulic credit mechanism
  - Hydraulic generation compensation through a credit
  - Fairness

- Difference between NP's hydraulic forecast and hydraulic credit
- Appropriate value for NP hydraulic generation

- Thermal Credit Mechanism
  - Whether NP thermal generation has value to Hydro's Island Interconnected System
  - Lack of transparency with the existing credit mechanism
  - Appropriateness of the credit affecting system load factor
  - Appropriateness of the credit for transmission costs
  - Appropriate value for NP thermal generation

A detailed discussion of the procedures used and findings are contained within the report.

Subsequent to the time the report was issued, NP derated its generation capacities and Hydro has changed its average system reserve margin. Table 2, below, compares the revised NP generation capacities with the old.

Table 2

NP Generation Capacity and Reserve Before and After Revision

	Final Test Year P.U. 14		Revised	
	Capacity / Reserve Factor	**Capacity Net of Reserve**	**Capacity / Reserve Factor**	**Capacity Net of Reserve**
Capacity Credit		(kW)		(kW)
Hydraulic	94,620/1.16	81,569	92,120/1.15	80,104
Thermal	50,900/1.16	43,879	43,500/1.15	37,826
Total		125,448		117,930

The revised capacities do not change the findings and recommendations from our report, which are listed below.

3.3 Findings and Recommendations

- Stone & Webster Consultants recommends that NP's costing and billing continue to reflect a set credit for its hydraulic generation, in conjunction with NP's continued obligation to demonstrate the capability of both its hydraulic and thermal generation.

- The existing hydraulic credit mechanism treats Industrial Customers and NP comparably with respect to the relationship between actual versus forecast hydraulic generation at the time of the system peak, thereby satisfying the measure of fairness.

- The existing mechanism should continue to credit NP for its hydraulic generation based on capacity net of reserve rather than on forecast generation, but the relationship between the two should continue to be monitored.

- The feature of the existing mechanism that credits NP's hydraulic generation with Hydro's average embedded cost is appropriate and consistent with cost causation principles.

- Stone & Webster Consultants concludes that NP thermal generation has value to Hydro's Island Interconnected System and contributes to the benefit of all customers.

- Compensation for NP's thermal generation should continue as a COS credit, and the notional payment amount should be clearly identified, thus providing greater transparency to the value of the generation.

- The existing thermal credit mechanism's impact on system load factor and the resulting change in cost classification should not form part of the

compensation since the attendant change in load factor is not related to cost causation.

- Hydro should discontinue compensation for transmission because thermal generation is not forecast to be run during system peak and therefore should not reduce NP's common transmission cost allocation; and Hydro's analysis shows that there is no avoided transmission cost associated with NP thermal generation.

- Stone & Webster Consultants' preferred option is to compensate NP for its thermal generation based on Hydro's average embedded cost with recommended changes, in conjunction with NP's continued obligation to demonstrate the capability of the combined hydraulic and thermal generation. In making this recommendation, we recognize that not all of the criteria we have defined can be met simultaneously and that trade-offs are required. We believe this recommended option provides a reasonable balance of the identified standards and the interests of the parties. This option, which recognizes the practical implications of the various alternatives, should allow NP to continue to operate in an efficient fashion.

- Stone & Webster Consultants recommends that should this Board consider other options such as a direct payment to NP based on Hydro's avoided costs or the use of a proxy unit to be more appropriate, that it should also factor in related considerations, such as age and reliability of NP's units as well as shared use between NP and Hydro.

- Stone & Webster Consultants recommends that should NP elect to obtain the benefit from its thermal generation by forecasting its use, that NP should not be permitted to both forecast its thermal generation and receive compensation for it.

- Stone & Webster Consultants supports the existing arrangement whereby Hydro pays NP for fuel when Hydro requests NP to run its thermal generation.

- The existing demand and energy rate structure to serve NP should continue without modification.

4. Marginal Cost Study

In Order No. P.U. 14 (2004) the Board directed Hydro to undertake a marginal cost study, which was performed by NERA Economic Consulting ("NERA"). One of the principal findings[1] of the study was that given Hydro's expansion plan consisting of predominately hydraulic resources, and crediting these resources with fuel savings, marginal capacity costs are reduced to virtually zero.

Stone & Webster Consultants believes that notwithstanding NERA's findings, there are a number of important and justifiable reasons to retain the existing rate structures for both NP and the Industrial Customers.

- The Island Interconnected System is an isolated power grid that has a finite amount of capacity and periods of high demand. As an isolated grid, a demand charge that signals or encourages the prudent use of a finite capacity remains a responsible component of bulk rate design for operational and system planning purposes.

- Hydro already has marginal cost signals incorporated in its rates for both NP and the Industrial Customers. The second block of the energy component of the rate to NP is based on the test-year forecast price of fuel. The fuel rider, which is applicable to NP and the Industrial Customers, adjusts the rates for all energy to the updated forecast cost of fuel. In addition, Industrial Customers' non-firm energy is based on the marginal cost of fuel.

- Rate structures that are effectively energy-only are not seen as providing meaningful price signals as to conservation of capacity.

- Hydro is regulated in an embedded cost jurisdiction. As such, a fully allocated cost of service study is the industry standard used to measure

[1] NERA's findings under Scenario 1, which assumes no interconnection with Labrador.

the degree to which the revenue requirement and rates for each customer class are equitable and non-discriminatory.

- NERA's methodology of offsetting hydraulic capacity costs with fuel savings leverages the marginal cost of capacity and its implications for rate design by an inherently uncertain forecast of future oil prices. Hydro's GRA and marginal cost study are underway during a high cost energy environment. The base case forecast used in the marginal cost study for Scenario One utilizes Hydro's March 2006 fuel forecast at approximately $55/bbl, which results in an average annual marginal capacity cost of $1.83/kW for the period 2007-2011[2]. Because of the importance of fuel oil prices in the valuation of marginal capacity costs, NERA reviewed alternative fuel price scenarios. NERA's Alternative Test 1, which uses a fuel price forecast at 50% of the base case, results in a marginal capacity cost of $64.49 per kW for the period 2007-2011[3]. During Hydro's last GRA, fuel price was close to 50% of the base case, and embedded demand costs were close to $64 per kW. The $64 per kW is also closer to the cost of a pure peaker and is consistent with marginal demand costs under a Labrador interconnection (NERA's Scenario Two). Marginal energy costs are always changing and in Hydro's case, due to the leverage of fuel oil prices, can result in volatile marginal capacity costs.

- Stone & Webster Consultants does not believe that Hydro's rates should be based solely upon marginal cost principles. Among other concerns is the issue of rate stability. Fuel prices that change daily cause attendant and magnified changes in the marginal capacity cost. As the marginal capacity cost is virtually zero in the marginal cost study, if fuel prices fall in the near future it will indicate the need to alter rates dramatically. Indeed,

[2] NERA Final Report, Table 6B, Base Case for the period 2007-2011.
[3] NERA Final Report, Table 6B, Test 1 for the period 2007-2011, assuming no change in generation expansion plans.

Bonbright[4] highlights the importance of rate stability and predictability in order for consumers to make rational advance preparations for the use of service.

- One of the basic tenets of ratemaking is that *equal rates are not equitable rates*. The reason is that there are three basic cost drivers: demand, energy and number of customers, and the size and usage characteristics of each class reflect how each cost component contributes to the revenue requirement of the class. In cases where marginal costs are overwhelmingly driven by energy across all rate classes, demand costs tend to be merged into the energy component of the rate, effectively resulting in an allocation of the utility's revenue requirement on energy. One consequence of this is that such rates act to penalize high load factor customers, such as the Island Industrial Customers. This is evidenced by the 13.5% increase in the rates for Industrial Customers that is indicated in Table 2, Page 7 of the NERA "Implications of Marginal Cost Results for Class Revenue Allocation and Rate Design" report, when rates are based on marginal costs.

4.1 Marginal Cost Implications for NP

During the 2003 GRA, and within the context of a demand and energy rate structure, NP offered that in order to effectively target Demand Side Management, the demand charge should be based on marginal costs. Stone & Webster Consultants took the position (Transcript November 14, 2003, pp. 10-16) that the demand charge should be based on Hydro's embedded cost structure, but the demand component could be adjusted to recognize marginal cost principles. This could be accomplished by making a modest adjustment to the embedded demand rate in order to give it more or less weight relative to marginal capacity cost.

[4] James C. Bonbright, Principles of Public Utility Rates, 2nd Ed., page 387.

Marginal cost studies have generally been controversial in terms of methodology and rate implementation and it may therefore not be prudent to dramatically alter NP's rate structure based on the results of this single marginal cost study. It is believed it is more responsible to err on the side of caution in implementing changes to Island Interconnected rate structures based on marginal costs.

4.2 Marginal Cost Implications for Industrial Customers

Stone & Webster Consultants does not believe that marginal costs are as appropriate for the Island Industrial Customers as for NP.

- As discussed above, the marginal cost study effectively allocates revenues among customer classes based on fuel costs, thereby shifting costs from NP to the Industrial Customers. With virtually no demand costs in their rate, the Industrial Customers are unable to achieve a lower overall rate, which they should be entitled to by virtue of their high load factor.

- Due to their high load factor and the relative inability to shift load between costing periods, the Industrial Customers may not be able to easily respond to marginal cost-based price signals.

For both NP and Industrial Customers, since the marginal cost rate indicated in the NERA report has virtually no demand costs, it does not provide a sufficient price signal to conserve capital during any period.

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2007 Forecast Cost of Service
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NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Island Interconnected ($)	4 Island Isolated ($)	5 Labrador Isolated ($)	6 L'Anse au Loup ($)	7 Labrador Interconnected ($)	8 Basis of Proration
	Revenue Requirement							
	Expenses							
1	Operating, Maintenance and Admin.	97,780,640	75,352,030	5,192,906	11,041,052	1,234,658	4,959,994	Detailed Analysis
2	Fuels - No. 6 Fuel	142,972,376	142,972,376	-	-	-	-	Detailed Analysis
3	Fuels - Diesel	12,087,365	75,888	1,934,202	9,895,757	157,842	23,676	Detailed Analysis
4	Fuels - Gas Turbine	592,247	458,678	-	-	-	133,569	
5	Power Purchases -CF(L)Co	2,537,795	-	-	-	-	2,537,795	Detailed Analysis
6	Power Purchases - Other	35,810,479	33,614,519	119,395	42,846	1,478,316	555,403	Detailed Analysis
7	Depreciation	39,092,104	32,731,850	754,722	2,217,231	445,219	2,943,082	Detailed Analysis
	Expense Credits:							
8	Sundry	(556,962)	(429,208)	(29,579)	(62,890)	(7,033)	(28,252)	Total O&M Expenses
9	Building Rental Income	(6,829)	0	-	-	-	(6,829)	Detailed Analysis
10	Tax Refunds	-	-	-	-	-	-	Total O&M Expenses
11	Suppliers' Discounts	(35,991)	(27,735)	(1,911)	(4,064)	(454)	(1,826)	Total O&M Expenses
12	Pole Attachments	(1,421,660)	(1,015,264)	(24,477)	(94,924)	(63,425)	(223,570)	Detailed Analysis
13	Secondary Energy Revenues	-	-	-	-	-	-	Island Interconnected
14	Wheeling Revenues	(42,051)	(42,051)	-	-	-	-	Island Interconnected
15	Application Fees	(28,896)	(13,296)	(432)	(2,160)	(528)	(12,480)	Detailed Analysis
16	Meter Test Revenues	-	0	-	-	-	-	Weighted Customers
17	**Total Expense Credits**	**(2,092,389)**	**(1,527,554)**	**(56,399)**	**(164,038)**	**(71,440)**	**(272,957)**	
18	**Subtotal Expenses**	**328,780,617**	**283,677,787**	**7,944,825**	**23,032,848**	**3,244,595**	**10,880,561**	
19	Disposal Gain/Loss	1,670,000	1,657,000	1,000	2,000	10,000	-	Detailed Analysis
20	**Subtotal Rev Reqt Excl Return**	**330,450,617**	**285,334,787**	**7,945,825**	**23,034,848**	**3,254,595**	**10,880,561**	
21	Return on Debt	104,454,635	97,859,494	684,635	2,210,302	471,414	3,228,790	Rate Base
22	Return on Equity	9,362,950	9,025,410	-	-	-	337,539	Rate Base
23	**Total Revenue Requirement**	**444,268,202**	**392,219,691**	**8,630,461**	**25,245,150**	**3,726,009**	**14,446,891**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Return on Rate Base

Line No	1	2 Total $	3 Island Interconnected $	4 Island Isolated $	5 Labrador Isolated $	6 L'Anse au Loup $	7 Labrador Interconnected $	8 Basis of Proration
	Rate Base:							
1	Average Net Book Value	1,359,901,588	1,275,062,144	8,916,993	27,158,840	6,207,827	42,555,784	Schedule 2.3
2	Cash Working Capital	3,056,000	2,865,347	20,038	61,032	13,950	95,632	Prorated on Average Net Book Value - L. 1
3	Fuel Inventory - No. 6 Fuel	20,437,546	20,437,546	-	-	-	-	Specifically Assigned - Holyrood
4	Fuel Inventory - Diesel	2,556,599	61,681	162,481	2,275,511	24,221	32,705	Detailed Fuel Analysis
5	Fuel Inventory - Gas Turbine	1,475,812	1,337,796	-	-	-	138,016	Detailed Fuel Analysis
6	Inventory/Supplies	19,912,000	18,159,106	176,535	542,686	137,349	896,324	Prorated on Total Plant in Service, Schedule 2.2
7	Deferred Charges: Holyrood	7,936,000	7,936,000					Detailed Analysis
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	75,907,000	71,171,431	497,729	1,515,952	346,509	2,375,379	Prorated on Average Net Book Value - L. 1
9	Total Rate Base	**1,491,182,545**	**1,397,031,051**	**9,773,776**	**31,554,022**	**6,729,857**	**46,093,840**	
10	Less: Rural Portion	(212,592,737)	(164,535,082)	(9,773,776)	(31,554,022)	(6,729,857)	-	Schedule 2.6, L. 9
11	Rate Base Available for Equity Return	**1,278,589,808**	**1,232,495,968**	**-**	**-**	**-**	**46,093,840**	
	Corporate Targets:							
12	Capital Structure: Percent of Debt	83.51% [1]						
13	Return	8.388%						
14	Weighted Average Return: Debt	**7.005%**						
15	Capital Structure: Percent of Equity	14.07% [1]						
16	Return	5.205%						
17	Weighted Average Return: Equity	**0.732%**						
18	Weighted Average Cost of Capital	**7.737%**						
	Return on Rate Base by System (%):							
19	Return on Rate Base - Debt Component	-	7.005%	7.005%	7.005%	7.005%	7.005%	
20	Return on Rate Base - Equity Component	-	0.732%	-	-	-	0.732%	
	Return on Rate Base ($):							
21	Return on Debt	104,454,635	97,859,494	684,635	2,210,302	471,414	3,228,790	Schedule 2.6, L.12
22	Return on Equity	9,362,950	9,025,410	-	-	-	337,539	Schedule 2.6, L.13
23	Return on Rate Base ($)	**113,817,585**	**106,884,904**	**684,635**	**2,210,302**	**471,414**	**3,566,329**	Schedule 2.6, L.14
	Return on Total Rate Base (%):							
24	Return on Rate Base - Debt Component	7.005%	7.005%	7.005%	7.005%	7.005%	7.005%	L. 21 divided by L.9
25	Return on Rate Base - Equity Component	0.628%	0.646%	-	-	-	0.732%	L. 22 divided by L.9
26	Return on Rate Base (%)	**7.633%**	**7.651%**	**7.005%**	**7.005%**	**7.005%**	**7.737%**	L. 23 divided by L.9

[1] Debt and equity weightings reflect a 2.42% component for Employee Future Benefits at 0% cost.

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credits ($)	5 Deficit ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	Total System							
1	Newfoundland Power	330,014,512	291,082,517	(228,100)	36,333,011	2,813,027	330,000,455	
2	RSP Activity	(2,813,027)	-	-	-	(2,813,027)	(2,813,027)	
3	Subtotal Newfoundland Power	**327,201,485**	**291,082,517**	**(228,100)**	**36,333,011**	**-**	**327,187,429**	**1.12**
4	Island Industrial	44,751,587	44,560,431	272,435	-		44,832,866	1.00
5	Unallocated RSP Hydraulic Variation	-	-	-	-		-	-
6	Labrador Industrial	2,897,096	2,897,096	-	-		2,897,096	1.00
7	CFB - Goose Bay Secondary	4,548,798	138,636	4,410,162	-		4,548,798	32.81
8	Rural Labrador Interconnected	14,574,121	11,411,158	(1,255,060)	4,418,239		14,574,337	1.28
	Rural Deficit Areas							
9	Island Interconnected	39,721,329	56,576,743	(44,335)	(16,811,079)		39,721,329	0.70
10	Island Isolated	1,471,495	8,630,461	-	(7,158,966)		1,471,495	0.17
11	Labrador Isolated	7,239,552	25,245,150	-	(18,005,598)		7,239,552	0.29
12	L'Anse au Loup	1,795,300	3,726,009	-	(1,930,709)		1,795,300	0.48
13	Revenue Credit Applied to Deficit (71.5%)	-	-	(3,155,102)	3,155,102		-	-
14	**Subtotal**	**50,227,676**	**94,178,363**	**(3,199,437)**	**(40,751,250)**	**-**	**50,227,676**	**0.53**
15	**Total**	**444,200,764**	**444,268,202**	**-**	**-**	**-**	**444,268,202**	**1.00**

Note:
NP Forecast RSP Activity:

Revenue credit applied to deficit	(3,155,102)
NP share of deficit	89.2%
	(2,813,027)

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credit ($)	5 Deficit Allocation ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	Island Interconnected							
1	Newfoundland Power	330,014,512	291,082,517	(228,100)	36,333,011	2,813,027	330,000,455	
2	NLP RSP Activity	(2,813,027)				(2,813,027)	(2,813,027)	
3	**Subtotal Newfoundland Power**	**327,201,485**	**291,082,517**	**(228,100)**	**36,333,011**	**-**	**327,187,429**	**1.12**
4	Industrial - Firm	44,256,819	44,372,870	(34,772)			44,338,098	
5	Industrial - Non-Firm	494,768	187,561	307,207			494,768	
6	Industrial RSP Activity	-					-	
7	**Subtotal Industrial**	**44,751,587**	**44,560,431**	**272,435**	**-**		**44,832,866**	**1.00**
8	**Unallocated RSP Hydraulic Variation**	**-**						
	Rural							
9	1.1 Domestic	12,526,849	20,076,579	(15,733)	(7,533,998)		12,526,849	0.62
10	1.12 Domestic All Electric	11,245,222	18,140,268	(14,215)	(6,880,831)		11,245,222	0.62
11	1.3 Special	9,422	36,918	(29)	(27,467)		9,422	0.26
12	2.1 General Service 0-10 kW	2,196,713	2,541,288	(1,991)	(342,583)		2,196,713	0.86
13	2.2 General Service 10-100 kW	6,322,226	8,214,020	(6,437)	(1,885,358)		6,322,226	0.77
14	2.3 General Service 110-1,000 kVa	4,171,606	4,676,023	(3,664)	(500,753)		4,171,606	0.89
15	2.4 General Service Over 1,000 kVa	2,289,478	1,888,000	(1,479)	402,958		2,289,478	1.21
16	4.1 Street and Area Lighting	959,813	1,003,647	(786)	(43,047)		959,813	0.96
17	**Subtotal Rural**	**39,721,329**	**56,576,743**	**(44,335)**	**(16,811,079)**		**39,721,329**	**0.70**
18	**Total Island Interconnected**	**411,674,401**	**392,219,691**	**-**	**19,521,933**		**411,741,623**	**1.05**

Note1:
Calculation of Island Industrial Non-Firm Revenue Credit

Island Industrial Non-Firm Revenues, Ln 5, Col 2	494,768
Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3	(187,561)
Credit to be allocated to Island Interconnected Firm Customers	307,207

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credit ($)	5 Deficit ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	Island Isolated							
1	1.2 Domestic Diesel	673,564	6,042,304		(5,368,740)		673,564	0.11
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	0	0		0		0	0.00
4	2.1 General Service 0-10 kW	226,494	815,237		(588,743)		226,494	0.28
5	2.2 GS 10-100 kW	279,323	829,022		(549,699)		279,323	0.34
6	2.3 GS 110-1,000 kVa	256,307	798,412		(542,105)		256,307	0.32
7	2.4 General Service Over 1,000 kVa	0	0		0		0	0.00
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	35,807	145,486		(109,679)		35,807	0.25
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**1,471,495**	**8,630,461**		**(7,158,966)**		**1,471,495**	**0.17**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credit ($)	5 Deficit ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	Labrador Isolated							
1	1.2 Domestic Diesel	3,089,541	14,597,667		(11,508,126)		3,089,541	0.21
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	0	0		0		0	0.00
4	2.1 General Service 0-10 kW	1,003,126	2,241,091		(1,237,965)		1,003,126	0.45
5	2.2 GS 10-100 kW	2,586,932	5,922,135		(3,335,203)		2,586,932	0.44
6	2.3 GS 110-1,000 kVa	231,142	1,061,768		(830,626)		231,142	0.22
7	2.4 General Service Over 1,000 kVa	207,031	1,137,890		(930,859)		207,031	0.18
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	121,780	284,599		(162,819)		121,780	0.43
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**7,239,552**	**25,245,150**		**(18,005,598)**		**7,239,552**	**0.29**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credit ($)	5 Deficit ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	L'Anse au Loup							
1	1.1 Domestic	619,309	1,468,920		(849,611)		619,309	0.42
2	1.12 Domestic All Electric	381,823	939,519		(557,696)		381,823	0.41
3	2.1 General Service 0-10 kW	161,270	284,708		(123,438)		161,270	0.57
4	2.2 General Service 10-100 kV	452,403	796,131		(343,728)		452,403	0.57
5	2.3 General Service 110-1,000 kVa	143,705	193,136		(49,431)		143,705	0.74
6	4.1 Street and Area Lighting	36,790	43,594		(6,804)		36,790	0.84
7	**Total L'Anse Au Loup**	**1,795,300**	**3,726,009**		**(1,930,709)**		**1,795,300**	**0.48**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues ($)	3 Cost of Service Before Deficit and Revenue Credit Allocation ($)	4 Revenue Credit ($)	5 Deficit Allocation ($)	6 RSP Activity ($)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	8 Revenue to Cost Coverage (Col.2/3)
	Labrador Interconnected							
1	Industrial IOCC Firm	2,886,708	2,886,708		-		2,886,708	1.00
2	Industrial IOCC Non-Firm	10,389	10,389		-		10,389	1.00
3	**Subtotal Industrial**	**2,897,096**	**2,897,096**		**-**		**2,897,096**	**1.00**
4	**CFB - Goose Bay Secondary**	4,548,798	138,636	4,410,162	-		4,548,798	32.81
	Rural							
5	1.1 Domestic	242,043	303,634	(33,395)	117,563		387,802	0.80
6	1.1A Domestic All Electric	8,231,175	6,998,030	(769,681)	2,709,538		8,937,888	1.18
7	2.1 General Service 0-10 kW	257,753	193,060	(21,234)	74,750		246,577	1.34
8	2.2 General Service 10-100 kW	2,068,026	1,379,717	(151,749)	534,207		1,762,175	1.50
9	2.3 General Service 110-1,000 kVa	2,350,352	1,553,730	(170,888)	601,582		1,984,425	1.51
10	2.4 General Service Over 1,000 kVa	1,196,600	791,166	(87,017)	306,328		1,010,478	1.51
11	4.1 Street and Area Lighting	228,172	191,820	(21,097)	74,270		244,993	1.19
12	**Subtotal Rural**	**14,574,121**	**11,411,158**	**(1,255,060)**	**4,418,239**		**14,574,337**	**1.28**
13	**Total Labrador Interconnected**	**22,020,015**	**14,446,891**	**3,155,102**	**4,418,239**		**22,020,231**	**1.52**

Note1:
Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2		4,548,798
CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3		(138,636)
CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5		-
Revenue Credit		4,410,162
Revenue Credit Applied to Deficit	**71.5%**	3,155,102
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		1,255,060
		4,410,162

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Rural Deficit Allocation

	1	2	3	4	5	6
			Before Deficit and Revenue Credit Allocation			
Line No.	Rate Class	Allocated Revenue Reqt ($)	Demand ($)	Energy ($)	Customer ($)	Source
	CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:					
1	Newfoundland Power	291,082,517	97,539,723	189,336,619	4,206,175	Schedule 1.3.1, p. 1
2	Rural Labrador Interconnected	11,411,158	7,582,401	885,138	2,943,619	Schedule 1.3.1, p. 3
3	**Total**	**302,493,675**	**105,122,124**	**190,221,757**	**7,149,794**	
4	Deficit Classified	40,751,250	14,161,810	25,626,236	963,204	Prorated on Line 3
	UNIT COSTS OF DEFICIT:		CP kW	MWH	Customers *	
	Island Interconnected:					
5	Newfoundland Power		1,116,647	5,124,618	10,537	
6	**Subtotal Island Interconnected**		**1,116,647**	**5,124,618**	**10,537**	
	Labrador Interconnected:					
7	Rural Labrador Interconnected		122,167	570,634	9,397	
8	**Subtotal Labrador Interconnected**		**122,167**	**570,634**	**9,397**	
9	**Total**		**1,238,815**	**5,695,252**	**19,934**	
10	Deficit Unit Costs		$11.43 $/KW	$4.50 $/MWH	$48.32 $/Customer	Line 4 / Line 9

* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected:	$399.17
Labrador Interconnected:	$313.27

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Rural Deficit Allocation

Line No.	1	2	3	4	5	6
			Deficit Allocation			
	Rate Class	Allocated Revenue Reqt ($)	Demand ($)	Energy ($)	Customer ($)	Source
	ALLOCATION OF DEFICIT:					
11	Island Interconnected	36,333,011	12,765,225	23,058,622	509,164	Line 6 x Line 10
12	Labrador Interconnected	4,418,239	1,396,585	2,567,614	454,040	Line 8 x Line 10
13	**Allocated Totals**	**40,751,250**	**14,161,810**	**25,626,236**	**963,204**	

CUSTOMER DEFICIT ALLOCATION:

		Amount	Percent
	Island Interconnected:		
14	Newfoundland Power	36,333,011	89.2%
15	Sub-Total Island Interconnected	36,333,011	
	Labrador Interconnected:		
16	Rural Labrador Interconnected	4,418,239	10.8%
17	Subtotal Labrador Interconnected	4,418,239	
18	**Total**	**40,751,250**	100.0%

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Unit Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9	10	11
		Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand			Non-Demand		Demand			Non-Demand	
Line No.	Rate Class	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)
	Island Interconnected										
1	Newfoundland Power	7.49	-	0.03814	-	350,514.57	8.42	-	0.04287	-	393,991.24
2	Industrial - Firm	6.72	-	0.03814	-	13,129.24	6.72	-	0.03811	-	13,118.96
3	Industrial - Non-Firm	-	-	0.03828	-	-	-	-	0.10097	-	-
	Rural							-	-		
4	1.1 Domestic	-	0.09979	0.04221	0.14201	31.09	-	-	-	-	-
5	1.12 Domestic All Electric	-	0.10340	0.04221	0.14561	31.08	-	-	-	-	-
6	1.3 Special	-	0.16467	0.04182	0.20649	30.80	-	-	-	-	-
7	2.1 General Service 0-10 kW	-	0.07518	0.04246	0.11764	34.64	-	-	-	-	-
8	2.2 General Service 10-100 kW	29.62	-	0.04238	-	55.02	-	-	-	-	-
9	2.3 General Service 110-1,000 kVa	20.58	-	0.04236	-	56.84	-	-	-	-	-
10	2.4 General Service Over 1,000 kVa	9.08	-	0.04244	-	57.05	-	-	-	-	-
11	4.1 Street and Area Lighting	-	0.10937	0.04252	0.15189	54.78	-	-	-	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Unit Demand, Energy & Customer Amounts

Line No.	1 Rate Class	2	3	4	5	6	7	8	9	10	11
		Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand			Non-Demand		Demand			Non-Demand	
		Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)
	Isolated Systems:										
1	1.2 Domestic Diesel	-	0.23485	0.47649	0.71134	40.00					
2	2.1 General Service 0-10 kW	-	0.16580	0.47745	0.64325	43.54					
3	2.2 GS 10-100 kW	45.45	-	0.46444	-	64.20					
4	2.3 GS 110-1,000 kVa	28.31	-	0.49246	-	74.20					
5	2.4 General Service Over 1,000 kVa	5.45	-	0.45298	-	58.92					
6	**Subtotal Metered Demand Classes**	36.78	-	0.46798	-	64.88					
7	4.1 Street and Area Lighting	-	0.26613	0.48086	0.74699	68.74					
	Island Isolated										
8	1.2 Domestic Diesel	-	0.46614	0.57387	1.04001	59.65	-	-	-	-	-
9	2.1 General Service 0-10 kW	-	0.32315	0.57581	0.89896	70.71	-	-	-	-	-
10	2.2 GS 10-100 kW	91.17	-	0.57731	-	135.77	-	-	-	-	-
11	2.3 GS 110-1,000 kVa	71.07	-	0.57487	-	140.52	-	-	-	-	-
12	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-
13	4.1 Street and Area Lighting	-	0.50308	0.57593	1.07902	102.21	-	-	-	-	-
	Labrador Isolated										
14	1.2 Domestic Diesel	-	0.17861	0.45281	0.63142	32.96	-	-	-	-	-
15	2.1 General Service 0-10 kW	-	0.12972	0.45490	0.58462	36.55	-	-	-	-	-
16	2.2 GS 10-100 kW	40.88	-	0.45441	-	57.38	-	-	-	-	-
17	2.3 GS 110-1,000 kVa	13.62	-	0.45287	-	58.90	-	-	-	-	-
18	2.4 General Service Over 1,000 kVa	5.45	-	0.45298	-	58.92	-	-	-	-	-
19	4.1 Street and Area Lighting	-	0.20088	0.45469	0.65557	55.57	-	-	-	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Unit Demand, Energy & Customer Amounts

Line No.	1 Rate Class	2	3	4	5	6	7	8	9	10	11
		Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand			Non-Demand		Demand			Non-Demand	
		Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)
	L'Anse au Loup										
1	1.1 Domestic	-	0.10290	0.10627	0.20917	37.51	-	-	-	-	-
2	1.12 Domestic All Electric	-	0.14293	0.10623	0.24916	37.49	-	-	-	-	-
3	2.1 General Service 0-10 kW	-	0.09245	0.10665	0.19910	40.33	-	-	-	-	-
4	2.2 General Service 10-100 kW	25.03	-	0.10663	-	56.62	-	-	-	-	-
5	2.3 General Service 110-1,000 kVa	9.90	-	0.10714	-	58.25	-	-	-	-	-
6	4.1 Street and Area Lighting	-	0.11718	0.10738	0.22455	58.26	-	-	-	-	-
	Labrador Interconnected										
7	Industrial - IOCC Firm	3.18	-	0.00170	-	0.00	3.18	-	0.00170	-	0.00
8	Industrial - IOCC Non-Firm	-	-	0.00170	0.00170	0.00	-	-	0.00170	0.00170	0.00
9	CFB - Goose Bay Secondary	-	-	0.00178	0.00178	79.26	-	-	0.00178	0.00178	79.26
	Rural							-	-		
10	1.1 Domestic	-	0.01855	0.00182	0.02036	23.59	-	0.02369	0.00232	0.02601	30.12
11	1.1A Domestic All Electric	-	0.01692	0.00183	0.01876	23.77	-	0.02161	0.00234	0.02395	30.36
12	**Subtotal Domestic**	-	0.01696	0.00183	0.01879	23.76	-	0.02167	0.00234	0.02400	30.34
								-	-		
13	2.1 General Service 0-10 kW	-	0.01258	0.00184	0.01442	26.64	-	0.01606	0.00235	0.01842	34.02
14	2.2 General Service 10-100 kW	4.22	-	0.00185	-	43.26	5.39	-	0.00236	-	55.26
15	2.3 General Service 110-1,000 kVa	4.77	-	0.00185	-	44.72	6.10	-	0.00236	-	57.11
16	2.4 General Service Over 1,000 kVa	5.87	-	0.00180	-	43.60	7.50	-	0.00230	-	55.69
17	4.1 Street and Area Lighting	-	0.01888	0.00184	0.02071	43.21	0.00	0.02411	0.00235	0.02645	55.19

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9
Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total ($)	Demand ($)	Energy ($)	Customer ($)	Total ($)	Demand ($)	Energy ($)	Customer ($)
	Island Interconnected								
1	Newfoundland Power	291,082,517	97,539,723	189,336,619	4,206,175	327,187,429	109,638,227	212,821,306	4,727,895
2	Industrial - Firm	44,372,870	9,476,415	34,108,700	787,755	44,338,098	9,468,989	34,081,971	787,137
3	Industrial - Non-Firm	187,561	-	187,561	-	494,768	-	494,768	-
	Rural								
4	1.1 Domestic	20,076,579	10,853,158	4,591,037	4,632,384	-	-	-	-
5	1.12 Domestic All Electric	18,140,268	11,088,930	4,526,590	2,524,748	-	-	-	-
6	1.3 Special	36,918	29,146	7,402	370	-	-	-	-
7	2.1 General Service 0-10 kW	2,541,288	1,109,829	626,739	804,720	-	-	-	-
8	2.2 General Service 10-100 kW	8,214,020	5,240,178	2,390,842	583,000	-	-	-	-
9	2.3 General Service 110-1,000 kVa	4,676,023	2,854,308	1,767,832	53,884	-	-	-	-
10	2.4 General Service Over 1,000 kVa	1,888,000	729,015	1,154,877	4,108	-	-	-	-
11	4.1 Street and Area Lighting	1,003,647	328,122	127,583	547,942	-	-	-	-
12	**Subtotal Rural**	**56,576,743**	**32,232,685**	**15,192,902**	**9,151,155**				
13	**Total Island Interconnected**	**392,219,691**	**139,248,823**	**238,825,783**	**14,145,085**				

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9
Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total ($)	Demand ($)	Energy ($)	Customer ($)	Total ($)	Demand ($)	Energy ($)	Customer ($)
	Isolated Systems:								
1	1.2 Domestic Diesel	20,639,971	6,377,410	12,939,139	1,323,422				
2	2.1 General Service 0-10 kW	3,056,327	720,585	2,075,054	260,688				
3	2.2 GS 10-100 kW	6,751,157	1,677,597	4,967,245	106,314				
4	2.3 GS 110-1,000 kVa	1,860,180	357,414	1,493,268	9,498				
5	2.4 General Service Over 1,000 kVa	1,137,890	37,076	1,100,107	707				
6	**Subtotal Metered Demand Classes**	9,749,226	2,072,087	7,560,620	116,519				
7	4.1 Street and Area Lighting	430,085	115,756	209,159	105,170				
8	**Total Isolated Systems**	**33,875,610**	**9,285,839**	**22,783,972**	**1,805,800**				
	Island Isolated								
9	1.2 Domestic Diesel	6,042,304	2,475,786	3,047,991	518,527	-	-	-	-
10	2.1 General Service 0-10 kW	815,237	261,942	466,748	86,547	-	-	-	-
11	2.2 GS 10-100 kW	829,022	305,679	503,792	19,551	-	-	-	-
12	2.3 GS 110-1,000 kVa	798,412	229,363	565,677	3,372	-	-	-	-
13	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-
14	4.1 Street and Area Lighting	145,486	47,246	54,087	44,154	-	-	-	-
15	**Total Island Isolated**	**8,630,461**	**3,320,015**	**4,638,295**	**672,151**				
	Labrador Isolated								
16	1.2 Domestic Diesel	14,597,667	3,901,624	9,891,147	804,896	-	-	-	-
17	2.1 General Service 0-10 kW	2,241,091	458,644	1,608,306	174,141	-	-	-	-
18	2.2 GS 10-100 kW	5,922,135	1,371,918	4,463,453	86,763	-	-	-	-
19	2.3 GS 110-1,000 kVa	1,061,768	128,051	927,591	6,126	-	-	-	-
20	2.4 General Service Over 1,000 kVa	1,137,890	37,076	1,100,107	707	-	-	-	-
21	4.1 Street and Area Lighting	284,599	68,511	155,072	61,017	-	-	-	-
22	**Total Labrador Isolated**	**25,245,150**	**5,965,824**	**18,145,677**	**1,133,649**				

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total Demand, Energy & Customer Amounts

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total ($)	Demand ($)	Energy ($)	Customer ($)	Total ($)	Demand ($)	Energy ($)	Customer ($)
	1	2	3	4	5	6	7	8	9
	L'Anse au Loup								
1	1.1 Domestic	1,468,920	583,140	602,237	283,543	-	-	-	-
2	1.12 Domestic All Electric	939,519	502,695	373,615	63,210	-	-	-	-
3	2.1 General Service 0-10 kW	284,708	101,415	116,997	66,296	-	-	-	-
4	2.2 General Service 10-100 kW	796,131	346,524	410,197	39,410	-	-	-	-
5	2.3 General Service 110-1,000 kVa	193,136	47,945	142,395	2,796	-	-	-	-
6	4.1 Street and Area Lighting	43,594	12,898	11,820	18,876	-	-	-	-
7	**Total L'Anse au Loup**	**3,726,009**	**1,594,618**	**1,657,260**	**474,132**				
	Labrador Interconnected								
8	Industrial - IOCC Firm	2,886,708	2,364,548	522,159	-	2,886,708	2,364,548	522,159	-
9	Industrial - IOCC Non-Firm	10,389	-	10,389	-	10,389	-	10,389	-
10	CFB - Goose Bay Secondary	138,636	-	137,685	951	138,636	-	137,685	951
	Rural								
11	1.1 Domestic	303,634	121,870	11,943	169,821	387,802	155,653	15,253	216,895
12	1.1A Domestic All Electric	6,998,030	4,427,484	479,192	2,091,355	8,937,888	5,654,785	612,024	2,671,079
13	**Subtotal Domestic**	**7,301,665**	**4,549,354**	**491,135**	**2,261,176**	**9,325,689**	**5,810,438**	**627,277**	**2,887,974**
14	2.1 General Service 0-10 kW	193,060	56,866	8,330	127,864	246,577	72,629	10,639	163,308
15	2.2 General Service 10-100 kW	1,379,717	931,339	120,266	328,112	1,762,175	1,189,506	153,604	419,065
16	2.3 General Service 110-1,000 kVa	1,553,730	1,329,047	159,753	64,930	1,984,425	1,697,459	204,037	82,929
17	2.4 General Service Over 1,000 kVa	791,166	686,291	102,782	2,093	1,010,478	876,531	131,273	2,673
18	4.1 Street and Area Lighting	191,820	29,504	2,872	159,444	244,993	37,683	3,668	203,642
19	**Subtotal Rural**	**11,411,158**	**7,582,401**	**885,138**	**2,943,619**	**14,574,337**	**9,684,247**	**1,130,499**	**3,759,592**
20	**Total Labrador Incterconnected**	**14,446,891**	**9,946,950**	**1,555,371**	**2,944,570**	**17,610,069**	**12,048,795**	**1,800,732**	**3,759,592**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Demands, Sales, & Number of Bills

	1	2	3	4	5
		Units			
Line No.	Rate Class	Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
	Island Interconnected				
1	Newfoundland Power	13,026,840	4,964,000	1	12
2	Industrial - Firm	1,410,000	894,300	5	60
3	Industrial - Non-Firm	64,800	4,900	-	-
	Rural				
4	1.1 Domestic	-	108,756	12,418	149,016
5	1.12 Domestic All Electric	-	107,244	6,769	81,228
6	1.3 Special	-	177	1	12
7	2.1 General Service 0-10 kW	-	14,762	1,936	23,232
8	2.2 General Service 10-100 kW	176,922	56,421	883	10,596
9	2.3 General Service 110-1,000 kVa	138,810	41,736	79	948
10	2.4 General Service Over 1,000 kVa	80,283	27,212	6	72
11	4.1 Street and Area Lighting	-	3,000	834	10,002
12	**Subtotal Rural**	**396,016**	**359,308**	**22,926**	**275,106**
13	**Total Island Interconnected**	**14,897,656**	**6,222,508**	**22,932**	**275,178**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Demands, Sales, & Number of Bills

Line No.	1 Rate Class	2 Billing Demands (kW)	3 Sales (MWh)	4 Customers	5 Bills (Total No)
		Units			
	Isolated Systems:				
1	1.2 Domestic Diesel	-	27,155	2,757	33,084
2	2.1 General Service 0-10 kW	-	4,346	499	5,988
3	2.2 GS 10-100 kW	36,915	10,695	138	1,656
4	2.3 GS 110-1,000 kVa	12,626	3,032	11	128
5	2.4 General Service Over 1,000 kVa	6,801	2,429	1	12
6	**Subtotal Metered Demand Classes**	56,342	16,156	150	1,796
7	4.1 Street and Area Lighting	-	435	128	1,530
8	**Total Isolated Systems**	**56,342**	**48,092**	**3,533**	**42,398**
	Island Isolated				
9	1.2 Domestic Diesel	-	5,311	722	8,664
10	2.1 General Service 0-10 kW	-	811	102	1,224
11	2.2 GS 10-100 kW	3,353	873	12	144
12	2.3 GS 110-1,000 kVa	3,227	984	2	24
13	2.4 General Service Over 1,000 kVa	-	-	-	-
14	4.1 Street and Area Lighting	-	94	36	432
15	**Total Island Isolated**	**6,580**	**8,072**	**874**	**10,488**
	Labrador Isolated				
16	1.2 Domestic Diesel	-	21,844	2,035	24,420
17	2.1 General Service 0-10 kW	-	3,536	397	4,764
18	2.2 GS 10-100 kW	33,562	9,823	126	1,512
19	2.3 GS 110-1,000 kVa	9,399	2,048	9	104
20	2.4 General Service Over 1,000 kVa	6,801	2,429	1	12
21	4.1 Street and Area Lighting	-	341	92	1,098
22	**Total Labrador Isolated**	**49,762**	**40,020**	**2,659**	**31,910**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Demands, Sales, & Number of Bills

Line No.	1 Rate Class	2 Units: Billing Demands (kW)	3 Units: Sales (MWh)	4 Units: Customers	5 Units: Bills (Total No)
	L'Anse au Loup				
1	1.1 Domestic	-	5,667	630	7,560
2	1.12 Domestic All Electric	-	3,517	141	1,686
3	2.1 General Service 0-10 kW	-	1,097	137	1,644
4	2.2 General Service 10-100 kW	13,844	3,847	58	696
5	2.3 General Service 110-1,000 kVa	4,841	1,329	4	48
6	4.1 Street and Area Lighting	-	110	27	324
7	**Total L'Anse au Loup**	**18,685**	**15,567**	**997**	**11,958**
	Labrador Interconnected				
8	Industrial - IOCC Firm	744,000	306,600	1	12
9	Industrial - IOCC Non-Firm	-	6,100		
10	CFB - Goose Bay Secondary	-	77,400	1	12
	Rural				
11	1.1 Domestic	-	6,571	600	7,200
12	1.1A Domestic All Electric	-	261,617	7,332	87,984
13	**Subtotal Domestic**	**-**	**268,188**	**7,932**	**95,184**
14	2.1 General Service 0-10 kW	-	4,521	400	4,800
15	2.2 General Service 10-100 kW	220,864	65,165	632	7,584
16	2.3 General Service 110-1,000 kVa	278,350	86,390	121	1,452
17	2.4 General Service Over 1,000 kVa	116,897	57,000	4	48
18	4.1 Street and Area Lighting	-	1,563	308	3,690
19	**Subtotal Rural**	**616,110**	**482,827**	**9,397**	**112,758**
20	**Total Labrador Incterconnected**	**1,360,110**	**872,927**	**9,399**	**112,782**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Rate Calculations for Newfoundland Power

Line No.	1 Rate Class	2 Amount	3 Source
	Newfoundland Power:		
	Demand:		
1	Demand Revenue Requirement	$97,539,723	Sch 1.3.1, pg 1, Ln 1, Col 3
2	Billing Units (kW)	13,026,840	Sch 1.3.2, pg 1, Ln 1, Col 2
3	**Rate ($/kW/mo.)**	**$7.49**	Ln 1 / Ln 2
	Energy (First Block):		
4	Total Revenue Requirement	$330,000,455	Sch 1.2, pg 1, Ln 1, Col 7
5	Less: Demand Revenues	97,571,032	Ln 2 * Ln 3
6	Less: Second Block Energy Revenue	174,933,480	((Sch 1.3.2, pg 1, Ln 1, Col 3) - Ln 8) * Ln 12
7	First Block Energy Revenue	$57,495,944	Ln 4 - Ln 5 - Ln 6
8	First Block Energy Consumed (MWh)	3,000,000	
9	**Rate (Mills/kWh)**	**19.17**	Ln 7 / Ln 8
	Energy (Second Block):		
10	Average No. 6 Fuel Cost per Barrel	$56.12	
11	Efficiency Factor (kWh per Barrel)	630	
12	**Rate (Mills/kWh)**	**89.07**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Calculation of Firming Up Charge

Line No.	Description	1 Total	2 Gas Turbine	3 Transmission & Terminals
1	Operating & Maintenance	4,241,351	737,756	3,503,595
2	O&M Overhead	3,958,569	1,072,902	2,885,666
3	Depreciation	6,194,758	391,563	5,803,195
4	Return	12,688,744	411,360	12,277,383
5	**Total**	**27,083,421**	**2,613,581**	**24,469,840**
6	Capacity (kW)		118,000	1,591,600
7	Cost ($/kW)	$37.52	$22.15	$15.37
8	Rate ($/kWh)	$0.00819		

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Calculation of Transmission Wheeling Charge

Line No.	Description	1	2
1	Island Interconnected Transmission Revenue Requirement		24,581,266
2	Transmission Energy Output (MWh)		6,255,200
3	Rate ($/kWh)		$0.00393

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Revenue Requirement

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
Line		Total	Production	Production and Transmission	Transmission	Rural Prod & Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Specifically Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
	Expenses																	
1	Operating & Maintenance	75,352,030	28,419,719	22,977,100	6,389,261	2,866,452	933,483	4,610,172	1,142,359	246,137	435,682	641,588	705,528	369,821	264,641	107,558	2,356,168	1,419,518
2	Fuels-No. 6 Fuel	142,972,376	-	142,972,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	75,888	75,888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	458,678	458,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	33,614,519	14,151,694	19,016,238	-	446,587	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	32,731,850	9,762,555	8,111,490	5,803,195	2,538,393	455,670	2,444,329	589,572	140,035	247,873	326,739	360,573	160,354	122,418	63,339	395,621	1,209,693
	Expense Credits																	
8	Sundry	(429,208)	(161,880)	(130,878)	(36,393)	(16,327)	(5,317)	(26,260)	(6,507)	(1,402)	(2,482)	(3,655)	(4,019)	(2,107)	(1,507)	(613)	(13,421)	(8,086)
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(27,735)	(10,461)	(8,457)	(2,352)	(1,055)	(344)	(1,697)	(420)	(91)	(160)	(236)	(260)	(136)	(97)	(40)	(867)	(522)
12	Pole Attachments	(1,015,264)	-	-	-	-	-	(587,176)	(200,669)	-	-	(103,931)	(123,489)	-	-	-	-	-
13	Secondary Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	(42,051)	-	-	(42,051)	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(13,296)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,296)	-
16	Meter Test Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total Expense Credits**	**(1,527,554)**	**(172,340)**	**(139,336)**	**(80,796)**	**(17,382)**	**(5,661)**	**(615,133)**	**(207,596)**	**(1,493)**	**(2,642)**	**(107,821)**	**(127,767)**	**(2,243)**	**(1,605)**	**(652)**	**(27,584)**	**(8,608)**
18	**Subtotal Expenses**	**283,677,787**	**52,696,193**	**192,937,869**	**12,111,660**	**5,834,049**	**1,383,492**	**6,439,368**	**1,524,335**	**384,679**	**680,914**	**860,506**	**938,334**	**527,932**	**385,454**	**170,244**	**2,724,205**	**2,620,603**
19	Disposal Gain / Loss	1,657,000	558,493	671,024	192,223	94,607	12,506	47,286	11,729	3,291	5,825	6,443	7,102	3,184	2,091	1,570	3,211	36,413
20	**Subtotal Revenue Requirement Ex. Return**	**285,334,787**	**53,254,686**	**193,608,893**	**12,303,883**	**5,928,657**	**1,395,998**	**6,486,654**	**1,536,064**	**387,970**	**686,739**	**866,949**	**945,437**	**531,116**	**387,546**	**171,814**	**2,727,416**	**2,657,017**
21	Return on Debt	97,859,494	32,718,192	40,391,641	11,115,376	5,470,150	725,702	2,748,047	681,632	190,423	337,064	374,575	412,888	185,712	121,310	90,733	187,148	2,108,900
22	Return on Equity	9,025,410	3,420,376	4,222,562	1,162,007	-	-	-	-	-	-	-	-	-	-	-	-	220,465
23	**Total Revenue Reqmt**	**392,219,691**	**89,393,255**	**238,223,096**	**24,581,266**	**11,398,807**	**2,121,700**	**9,234,701**	**2,217,696**	**578,393**	**1,023,803**	**1,241,524**	**1,358,325**	**716,828**	**508,855**	**262,547**	**2,914,564**	**4,986,381**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax	20 Revenue Related PUB Assessment	21 Basis of Functional Classification
	Expenses			
1	Operating & Maintenance	902,862	563,981	Carryforward from Sch.2.4 L.30
2	Fuels-No. 6 Fuel	-	-	Production - Demand, Energy ratios Sch.4.1 L.10
3	Fuels-Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.12
4	Fuels-Gas Turbine	-	-	Production - Demand, Energy ratios Sch.4.1 L.11
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.7
7	Depreciation	-	-	Carryforward from Sch.2.5 L.40
	Expense Credits			
8	Sundry	(5,143)	(3,212)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.34
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
11	Suppliers' Discounts	(332)	(208)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	**Total Expense Credits**	**(5,475)**	**(3,420)**	
18	**Subtotal Expenses**	**897,387**	**560,561**	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.40
20	**Subtotal Revenue Requirement Ex. Return**	**897,387**	**560,561**	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.9
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.11
23	**Total Revenue Reqmt**	**897,387**	**560,561**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
	Production																	
	Hydraulic																	
1	Bay D'Espoir	184,238,003	80,307,385	103,930,618	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Upper Salmon	173,188,436	75,490,996	97,697,440	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Hinds Lake	79,440,527	34,627,280	44,813,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Cat Arm	265,579,977	115,763,485	149,816,492	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Paradise River	21,895,451	9,543,994	12,351,457	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Granite Canal	111,506,861	48,604,654	62,902,207	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Hydraulic	4,362,635	1,901,626	2,461,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	**Subtotal Hydraulic**	**840,211,891**	**366,239,420**	**473,972,470**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Holyrood	192,096,480	113,663,487	78,432,993	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gas Turbines	24,001,811	24,001,811	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Diesel	7,774,361	7,774,361	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	**Subtotal Production**	**1,064,084,543**	**511,679,080**	**552,405,463**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																	
14	Lines	248,022,553	-	-	141,011,601	80,596,154	-	152,972	-	-	-	-	-	-	-	-	-	26,261,827
15	Lines - Hydraulic	54,507,435	23,759,211	30,748,224	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	98,410,480	-	-	62,561,137	19,425,825	-	-	-	-	-	-	-	-	-	-	-	16,423,517
17	Term Stns - Hydraulic	30,474,639	13,283,571	17,191,068	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	8,217,618	4,862,365	3,355,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	699,572	699,572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	9,005,980	-	-	-	-	9,005,980	-	-	-	-	-	-	-	-	-	-	-
21	**Subtotal Term Stns**	**146,808,289**	**18,845,507**	**20,546,321**	**62,561,137**	**19,425,825**	**9,005,980**	-	-	-	-	-	-	-	-	-	-	**16,423,517**
22	**Subtotal Transmission**	**449,338,277**	**42,604,718**	**51,294,546**	**203,572,738**	**100,021,979**	**9,005,980**	**152,972**	-	-	-	-	-	-	-	-	-	**42,685,344**
	Distribution																	
23	Substations	7,787,605	998,323	-	-	-	6,789,282	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	1,571,849	-	-	-	-	-	1,185,096	150,976	-	-	137,458	98,319	-	-	-	-	-
25	Poles	69,967,537	-	-	-	-	-	40,465,585	13,829,224	-	-	7,162,437	8,510,291	-	-	-	-	-
26	Primary Conductor & Eqpt	15,129,180	-	-	-	-	-	13,419,582	1,709,597	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	8,198,057	-	-	-	-	-	8,198,057	-	-	-	-	-	-	-	-	-	-
28	Transformers	9,364,486	-	-	-	-	-	-	-	3,380,579	5,983,907	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	2,593,542	-	-	-	-	-	-	-	-	-	1,512,035	1,081,507	-	-	-	-	-
30	Services	5,079,326	-	-	-	-	-	-	-	-	-	-	-	5,079,326	-	-	-	-
31	Meters	2,324,365	-	-	-	-	-	-	-	-	-	-	-	-	2,324,365	-	-	-
32	Street Lighting	1,477,259	-	-	-	-	-	-	-	-	-	-	-	-	-	1,477,259	-	-
33	**Subtotal Distribution**	**123,493,206**	**998,323**	-	-	-	**6,789,282**	**63,268,319**	**15,689,797**	**3,380,579**	**5,983,907**	**8,811,930**	**9,690,118**	**5,079,326**	**2,324,365**	**1,477,259**	-	-
34	**Subttl Prod, Trans, & Dist**	**1,636,916,026**	**555,282,121**	**603,700,009**	**203,572,738**	**100,021,979**	**15,795,262**	**63,421,291**	**15,689,797**	**3,380,579**	**5,983,907**	**8,811,930**	**9,690,118**	**5,079,326**	**2,324,365**	**1,477,259**	-	**42,685,344**
35	General	155,931,341	61,591,473	50,546,077	11,838,585	5,193,909	1,826,985	8,950,724	2,218,110	477,922	845,961	1,245,767	1,369,918	718,078	554,785	208,844	5,679,895	2,664,309
36	Telecontrol - Custmr & Spec	92,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,944
37	Feasibility Studies	3,575,735	3,554,782	-	14,109	-	6,844	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	175,849	59,652	64,854	21,869	10,745	1,697	6,813	1,686	363	643	947	1,041	546	250	159	-	4,586
39	Software - General	2,531,736	858,827	933,713	314,856	154,699	24,430	98,091	24,267	5,229	9,255	13,629	14,987	7,856	3,595	2,285	-	66,019
40	**Total Plant**	**1,799,223,632**	**621,346,855**	**655,244,652**	**215,762,157**	**105,381,332**	**17,655,218**	**72,476,919**	**17,933,859**	**3,864,093**	**6,839,766**	**10,072,272**	**11,076,064**	**5,805,806**	**2,882,995**	**1,688,547**	**5,679,895**	**45,513,202**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
	Production	
	Hydraulic	
1	Bay D'Espoir	Production - Demand, Energy ratios Sch.4.1 L.1
2	Upper Salmon	Production - Demand, Energy ratios Sch.4.1 L.1
3	Hinds Lake	Production - Demand, Energy ratios Sch.4.1 L.1
4	Cat Arm	Production - Demand, Energy ratios Sch.4.1 L.1
5	Paradise River	Production - Demand, Energy ratios Sch.4.1 L.1
6	Granite Canal	Production - Demand, Energy ratios Sch.4.1 L.1
7	Other Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.1, 2
8	**Subtotal Hydraulic**	
9	Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
10	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.4
11	Roddickton	Production - Demand, Energy ratios Sch.4.1 L.3
12	Diesel	Production - Demand, Energy ratios Sch.4.1 L.5
13	**Subtotal Production**	
	Transmission	
14	Lines	Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
15	Lines - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.17
16	Terminal Stations	Production - Demand, Energy subtotals, L. 13; Transmission - Demand; Spec Assigned - Custmr
17	Term Stns - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.20
18	Term Stns - Holyrood	Production - Demand, Energy ratios Sch.4.1 L.21
19	Term Stns - Gas Tur/Dsl	Production - Demand, Energy ratios Sch.4.1 L.22, 23
20	Term Stns - Distribution	Distribution - Substations Demand
21	**Subtotal Term Stns**	
22	**Subtotal Transmission**	
	Distribution	
23	Substations	Production - Demand; Dist Substns - Demand
24	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
25	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
26	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
27	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
28	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
29	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
30	Services	Services Customer
31	Meters	Meters - Customer
32	Street Lighting	Street Lighting - Customer
33	**Subtotal Distribution**	
34	**Subttl Prod, Trans, & Dist**	
35	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.15, 16
36	Telecontrol - Custmr & Spec	Specifically Assigned - Customer
37	Feasibility Studies	Production, Transmission - Demand
38	Feasibility Studies - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
39	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
40	**Total Plant**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
	Production																	
	Hydraulic																	
1	Bay D'Espoir	141,810,745	61,813,794	79,996,951	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Upper Salmon	164,896,366	71,876,571	93,019,795	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Hinds Lake	72,389,009	31,553,599	40,835,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Cat Arm	257,372,697	112,186,019	145,186,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Paradise River	20,804,841	9,068,609	11,736,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Granite Canal	110,740,995	48,270,821	62,470,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Small Hydraulic	2,917,398	1,271,663	1,645,735	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	**Subtotal Hydraulic**	**770,932,051**	**336,041,076**	**434,890,975**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Holyrood	41,269,572	24,419,206	16,850,366	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gas Turbines	3,151,873	3,151,873	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Diesel	1,310,445	1,310,445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	**Subtotal Production**	**816,663,940**	**364,922,599**	**451,741,341**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																	
14	Lines	180,546,438	-	-	106,693,556	54,982,137	-	151,372	-	-	-	-	-	-	-	-	-	18,719,372
15	Lines - Hydraulic	51,561,644	22,475,172	29,086,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	59,159,115	-	-	35,736,965	15,400,359	-	-	-	-	-	-	-	-	-	-	-	8,021,791
17	Term Stns - Hydraulic	20,753,485	9,046,223	11,707,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	1,759,842	1,041,299	718,544	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	520,819	520,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	6,325,807	-	-	-	-	6,325,807	-	-	-	-	-	-	-	-	-	-	-
21	**Subtotal Term Stns**	**88,519,068**	**10,608,341**	**12,425,806**	**35,736,965**	**15,400,359**	**6,325,807**	-	-	-	-	-	-	-	-	-	-	**8,021,791**
22	**Subtotal Transmission**	**320,627,149**	**33,083,513**	**41,512,278**	**142,430,521**	**70,382,496**	**6,325,807**	**151,372**	-	-	-	-	-	-	-	-	-	**26,741,163**
	Distribution																	
23	Substations	2,984,312	508,485	-	-	-	2,475,827	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	1,089,761	-	-	-	-	-	821,625	104,672	-	-	95,300	68,165	-	-	-	-	-
25	Poles	35,257,351	-	-	-	-	-	20,391,018	6,968,686	-	-	3,609,224	4,288,422	-	-	-	-	-
26	Primary Conductor & Eqpt	8,578,773	-	-	-	-	-	7,609,372	969,401	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	3,446,325	-	-	-	-	-	3,446,325	-	-	-	-	-	-	-	-	-	-
28	Transformers	6,424,600	-	-	-	-	-	-	-	2,319,281	4,105,320	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	1,203,202	-	-	-	-	-	-	-	-	-	701,467	501,735	-	-	-	-	-
30	Services	2,133,139	-	-	-	-	-	-	-	-	-	-	-	2,133,139	-	-	-	-
31	Meters	1,364,846	-	-	-	-	-	-	-	-	-	-	-	-	1,364,846	-	-	-
32	Street Lighting	1,114,740	-	-	-	-	-	-	-	-	-	-	-	-	-	1,114,740	-	-
33	**Subtotal Distribution**	**63,597,049**	**508,485**	-	-	-	**2,475,827**	**32,268,340**	**8,042,759**	**2,319,281**	**4,105,320**	**4,405,991**	**4,858,322**	**2,133,139**	**1,364,846**	**1,114,740**	-	-
34	**Subtl Prod, Trans, & Dist**	**1,200,888,139**	**398,514,596**	**493,253,619**	**142,430,521**	**70,382,496**	**8,801,634**	**32,419,712**	**8,042,759**	**2,319,281**	**4,105,320**	**4,405,991**	**4,858,322**	**2,133,139**	**1,364,846**	**1,114,740**	-	**26,741,163**
35	General	67,834,334	26,793,950	21,988,905	5,150,104	2,259,490	794,788	3,893,806	964,937	207,909	368,016	541,942	595,951	312,383	241,346	90,853	2,470,907	1,159,046
36	Telecontrol - Custmr & Spec	59,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,639
37	Feasibility Studies	3,575,735	3,554,782	-	14,109	-	6,844	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	97,344	32,304	39,983	11,545	5,705	713	2,628	652	188	333	357	394	173	111	90	-	2,168
39	Software - General	2,606,952	865,117	1,070,781	309,196	152,790	19,107	70,378	17,460	5,035	8,912	9,565	10,547	4,631	2,963	2,420	-	58,051
40	**Total Net Book Value**	**1,275,062,144**	**429,760,748**	**516,353,289**	**147,915,475**	**72,800,482**	**9,623,087**	**36,386,524**	**9,025,808**	**2,532,412**	**4,482,580**	**4,957,855**	**5,465,214**	**2,450,326**	**1,609,266**	**1,208,103**	**2,470,907**	**28,020,067**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
	Production																	
1	Hydraulic	8,416,619	3,668,715	4,747,905	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Holyrood / Thermal	19,405,023	11,481,952	7,923,071	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Gas Turbine	660,954	660,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Diesel	318,050	318,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	2,556,669	1,229,408	1,327,261	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Subtotal Production**	31,357,315	17,359,078	13,998,237	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																	
8	Transmission Lines	2,465,736	193,647	250,610	1,149,299	656,890	-	1,247	-	-	-	-	-	-	-	-	-	214,044
9	Terminal Stations	3,588,418	460,639	502,211	1,529,175	474,823	220,132	-	-	-	-	-	-	-	-	-	-	401,438
10	Other	1,821,259	172,686	207,907	825,121	405,409	36,503	620	-	-	-	-	-	-	-	-	-	173,012
11	**Subtotal Transmission**	7,875,413	826,971	960,728	3,503,595	1,537,122	256,635	1,867	-	-	-	-	-	-	-	-	-	788,494
	Distribution																	
12	Other	5,069,565	41,769	-	-	-	284,056	2,647,074	656,443	141,440	250,360	368,681	405,423	212,513	-	61,807	-	-
13	Meters	164,187	-	-	-	-	-	-	-	-	-	-	-	-	164,187	-	-	-
14	**Subtotal Distribution**	5,233,752	41,769	-	-	-	284,056	2,647,074	656,443	141,440	250,360	368,681	405,423	212,513	164,187	61,807	-	-
15	**Subttl Prod, Trans, & Dist**	44,466,480	18,227,818	14,958,965	3,503,595	1,537,122	540,691	2,648,941	656,443	141,440	250,360	368,681	405,423	212,513	164,187	61,807	-	788,494
16	Customer Accounting	1,680,948	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,680,948	-
	Administrative & General:																	
	Plant-Related:																	
17	Production	1,402,156	674,245	727,911	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Prod - Gas Turb & Diesel	867,161	867,161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Transmission	2,095,013	198,642	239,158	949,146	466,347	41,990	713	-	-	-	-	-	-	-	-	-	199,018
20	Distribution	1,390,289	11,239	-	-	-	76,434	712,276	176,636	38,059	67,367	99,205	109,092	57,183	26,168	16,631	-	-
21	Prod, Trans, Distn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Prod, Trans, Distn and General Plant	256,458	88,566	93,397	30,754	15,021	2,517	10,331	2,556	551	975	1,436	1,579	828	411	241	810	6,487
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	1,073,720	133,866	91,094	361,524	177,629	28,051	112,630	27,863	6,004	10,627	15,649	17,209	9,020	4,128	2,623	-	75,805
24	Property Insurance	1,228,317	529,956	557,104	66,477	21,998	15,746	7,998	1,982	427	756	1,113	1,224	642	496	187	5,075	17,138
	Revenue-Related:																	
25	Municipal Tax	902,862	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	PUB Assessment	563,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	All Expense-Related	18,375,386	7,258,112	5,956,491	1,395,092	612,065	215,297	1,054,778	261,388	56,320	99,690	146,805	161,435	84,620	65,377	24,611	669,335	313,970
28	Prod, Trans, and Distn Expense-Related	1,049,259	430,115	352,981	82,673	36,271	12,758	62,506	15,490	3,337	5,908	8,700	9,567	5,015	3,874	1,458	-	18,606
29	**Subtotal Admin & General**	29,204,602	10,191,901	8,018,135	2,885,666	1,329,330	392,792	1,961,232	485,916	104,697	185,323	272,907	300,105	157,308	100,454	45,751	675,219	631,024
30	**Total Operating & Maintenance Expenses**	75,352,030	28,419,719	22,977,100	6,389,261	2,866,452	933,483	4,610,172	1,142,359	246,137	435,682	641,588	705,528	369,821	264,641	107,558	2,356,168	1,419,518

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax	20 Revenue Related PUB Assessment	21 Basis of Functional Classification
	Production			
1	Hydraulic	-	-	Prorated on Hydraulic Plant in Service - Sch.2.2 L.8
2	Holyrood / Thermal	-	-	Prorated on Holyrood Plant in Service - Sch.2.2 L.9
3	Roddickton	-	-	Prorated on Roddickton Plant in Service - Sch.2.2 L.11
4	Gas Turbine	-	-	Prorated on Gas Turbines Plant in Service - Sch.2.2 L.10
5	Diesel	-	-	Prorated on Diesel Plant in Service - Sch.2.2 L.12
6	Other	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
7	**Subtotal Production**	-	-	
	Transmission			
8	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.14, 15
9	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.21
10	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
11	**Subtotal Transmission**	-	-	
	Distribution			
12	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 33, less L. 31
13	Meters	-	-	Meters - Customer
14	**Subtotal Distribution**	-	-	
15	**Subttl Prod, Trans, & Dist**	-	-	
16	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
17	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
18	Prod - Gas Turb & Diesel		-	Prorated on Gas Turbine & Diesel Production Plant in Service - Sch.2.2 L.10, 12
19	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
20	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.33
21	Prod, Trans, Distn	-	-	Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.34
22	Prod, Trans, Distn and General Plant	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 40
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 34 Less L. 8 and L. 9
24	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.13, 21, 23, 35 - 36
	Revenue-Related:			
25	Municipal Tax	902,862	-	Revenue-related
26	PUB Assessment	-	563,981	Revenue-related
27	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 15, 16
28	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L 15
29	**Subtotal Admin & General**	**902,862**	**563,981**	
30	**Total Operating & Maintenance Expenses**	**902,862**	**563,981**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
	Production																	
	Hydraulic																	
1	Bay D'Espoir	1,795,326	782,563	1,012,762	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Upper Salmon	827,379	360,646	466,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Hinds Lake	326,760	142,431	184,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Cat Arm	1,130,597	492,815	637,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Paradise River	133,586	58,229	75,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Granite Canal	223,649	97,486	126,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Small Hydraulic	100,886	43,975	56,911	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	**Subtotal Hydraulic**	**4,538,183**	**1,978,145**	**2,560,037**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Holyrood	2,898,114	1,714,814	1,183,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gas Turbines	195,034	195,034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Diesel	134,961	134,961	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	**Subtotal Production**	**7,766,292**	**4,022,954**	**3,743,337**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																	
14	Lines	5,347,263	-	-	2,869,931	1,917,035	-	2,578	-	-	-	-	-	-	-	-	-	557,719
15	Lines - Hydraulic	389,471	169,766	219,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	2,543,890	-	-	1,934,869	186,156	-	-	-	-	-	-	-	-	-	-	-	422,866
17	Term Stns - Hydraulic	538,060	234,535	303,525	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	414,799	245,437	169,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	15,541	15,541	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	115,557	-	-	-	-	115,557	-	-	-	-	-	-	-	-	-	-	-
21	**Subtotal Term Stns**	**3,627,847**	**495,513**	**472,888**	**1,934,869**	**186,156**	**115,557**	-	-	-	-	-	-	-	-	-	-	**422,866**
22	**Subtotal Transmission**	**9,364,582**	**665,279**	**692,593**	**4,804,800**	**2,103,190**	**115,557**	**2,578**	-	-	-	-	-	-	-	-	-	**980,585**
	Distribution																	
23	Substations	231,396	31,553	-	-	-	199,843	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	40,666	-	-	-	-	-	30,660	3,906	-	-	3,556	2,544	-	-	-	-	-
25	Poles	1,866,466	-	-	-	-	-	1,079,467	368,911	-	-	191,066	227,022	-	-	-	-	-
26	Primary Conductor & Eqpt	421,060	-	-	-	-	-	373,480	47,580	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	273,269	-	-	-	-	-	273,269	-	-	-	-	-	-	-	-	-	-
28	Transformers	285,720	-	-	-	-	-	-	-	103,145	182,575	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	63,893	-	-	-	-	-	-	-	-	-	37,250	26,643	-	-	-	-	-
30	Services	106,615	-	-	-	-	-	-	-	-	-	-	-	106,615	-	-	-	-
31	Meters	80,949	-	-	-	-	-	-	-	-	-	-	-	-	80,949	-	-	-
32	Street Lighting	47,146	-	-	-	-	-	-	-	-	-	-	-	-	-	47,146	-	-
33	**Subtotal Distribution**	**3,417,181**	**31,553**	-	-	-	**199,843**	**1,756,876**	**420,397**	**103,145**	**182,575**	**231,872**	**256,209**	**106,615**	**80,949**	**47,146**	-	-
34	**Subtl Prod, Trans, & Dist**	**20,548,054**	**4,719,786**	**4,435,930**	**4,804,800**	**2,103,190**	**315,400**	**1,759,454**	**420,397**	**103,145**	**182,575**	**231,872**	**256,209**	**106,615**	**80,949**	**47,146**	-	**980,585**
35	General	10,861,075	4,290,027	3,520,682	824,592	361,771	127,255	623,444	154,498	33,289	58,924	86,771	95,419	50,016	38,642	14,547	395,621	185,577
36	Telecontrol - Custmr & Spec	9,294	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,294
37	Feasibility Studies	596,004	587,954	-	6,047	-	2,003	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	35,170	8,078	7,592	8,224	3,600	540	3,011	720	177	312	397	439	182	139	81	-	1,678
39	Software - General	682,253	156,710	147,285	159,533	69,832	10,472	58,419	13,958	3,425	6,062	7,699	8,507	3,540	2,688	1,565	-	32,558
40	**Total Deprecn Expense**	**32,731,850**	**9,762,555**	**8,111,490**	**5,803,195**	**2,538,393**	**455,670**	**2,444,329**	**589,572**	**140,035**	**247,873**	**326,739**	**360,573**	**160,354**	**122,418**	**63,339**	**395,621**	**1,209,693**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
1	Average Net Book Value	1,275,062,144	429,760,748	516,353,289	147,915,475	72,800,482	9,623,087	36,386,524	9,025,808	2,532,412	4,482,580	4,957,855	5,465,214	2,450,326	1,609,266	1,208,103	2,470,907	28,020,067
2	Cash Working Capital	2,865,347	965,768	1,160,360	332,399	163,599	21,625	81,769	20,283	5,691	10,073	11,141	12,282	5,506	3,616	2,715	5,553	62,967
3	Fuel Inventory - No. 6 Fuel	20,437,546	-	20,437,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	61,681	61,681	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	1,337,796	1,337,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	18,159,106	6,271,096	6,613,217	2,177,632	1,063,587	178,190	731,491	181,002	38,999	69,032	101,657	111,788	58,597	29,097	17,042	57,326	459,353
7	Deferred Charges: Holyrood	7,936,000	4,695,731	3,240,269														
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	71,171,431	23,988,390	28,821,813	8,256,347	4,063,578	537,142	2,031,023	503,803	141,354	250,209	276,738	305,057	136,772	89,826	67,434	137,921	1,564,024
9	Total Rate Base	**1,397,031,051**	**467,081,209**	**576,626,494**	**158,681,853**	**78,091,245**	**10,360,043**	**39,230,807**	**9,730,895**	**2,718,457**	**4,811,894**	**5,347,391**	**5,894,341**	**2,651,201**	**1,731,806**	**1,295,294**	**2,671,707**	**30,106,412**
10	Less: Rural Asset Portion	(164,535,082)	-	-	-	(78,091,245)	(10,360,043)	(39,230,807)	(9,730,895)	(2,718,457)	(4,811,894)	(5,347,391)	(5,894,341)	(2,651,201)	(1,731,806)	(1,295,294)	(2,671,707)	-
11	Rate Base Available for Equity Return	**1,232,495,968**	**467,081,209**	**576,626,494**	**158,681,853**	-	-	-	-	-	-	-	-	-	-	-	-	**30,106,412**
12	Return on Debt	97,859,494	32,718,192	40,391,641	11,115,376	5,470,150	725,702	2,748,047	681,632	190,423	337,064	374,575	412,888	185,712	121,310	90,733	187,148	2,108,900
13	Return on Equity	9,025,410	3,420,376	4,222,562	1,162,007	-	-	-	-	-	-	-	-	-	-	-	-	220,465
14	Return on Rate Base	**106,884,904**	**36,138,568**	**44,614,203**	**12,277,383**	**5,470,150**	**725,702**	**2,748,047**	**681,632**	**190,423**	**337,064**	**374,575**	**412,888**	**185,712**	**121,310**	**90,733**	**187,148**	**2,329,365**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 40
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Demand, Energy ratios Sch.4.1 L.10
4	Fuel Inventory - Diesel	Production - Demand, Energy ratios Sch.4.1 L.12
5	Fuel Inventory - Gas Turbine	Production - Demand, Energy ratios Sch.4.1 L.11
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 40
7	Deferred Charges: Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
9	Total Rate Base	
10	Less: Rural Asset Portion	Rural Transmission and Distribution Rate Base
11	Rate Base Available for Equity Return	
12	Return on Debt	L.9 x Sch.1.1,p2,L.14
13	Return on Equity	L.11 x Sch.1.1,p2,L.17
14	Return on Rate Base	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand (1 CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Rural Prod & Transmission Demand (CP kW)	7 Distribution Substations Demand (CP kW)	8 Primary Lines Demand (CP kW)	9 Primary Lines Customer (Rural Cust)	10 Line Transformers Demand (CP kW)	11 Line Transformers Customer (Rural Cust)	12 Secondary Lines Demand (CP kW)	13 Secondary Lines Customer (Rural Cust)	14 Services Customer (Wtd Rural Cust)	15 Meters Customer (Wtd Rural Cust)	16 Street Lighting Customer (Wtd Rural Cust)	17 Accounting Customer (Rural Cust)	18 Specifically Assigned Customer
	Amounts																	
1	Newfoundland Power	-	1,116,647	5,124,618	1,083,584	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Industrial - Firm	-	108,492	923,236	105,280	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Industrial - Non-Firm	-	-	5,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
4	1.1 Domestic	-	27,523	122,577	26,709	26,709	25,539	25,539	12,418	23,791	12,418	23,791	12,418	12,418	12,418	-	12,418	-
5	1.12 Domestic All Electric	-	28,125	120,873	27,292	27,292	26,097	26,097	6,769	24,311	6,769	24,311	6,769	6,769	6,769	-	6,769	-
6	1.3 Special	-	75	199	72	72	69	69	1	64	1	64	1	1	1	-	1	-
7	2.1 GS 0-10 kW	-	2,798	16,638	2,716	2,716	2,597	2,597	1,936	2,419	1,936	2,419	1,936	3,872	3,872	-	1,936	-
8	2.2 GS 10-100 kW	-	13,239	63,585	12,847	12,847	12,284	12,284	883	11,425	883	11,425	883	7,127	7,127	-	883	-
9	2.3 GS 110-1,000 kVa	-	7,215	46,904	7,001	7,001	6,694	6,694	79	5,915	79	5,915	79	677	677	-	79	-
10	2.4 GS Over 1,000 kVa	-	1,839	30,527	1,785	1,785	1,707	1,707	6	1,457	6	1,457	6	51	51	-	6	-
11	4.1 Street and Area Lighting	-	826	3,381	802	802	766	766	834	714	834	714	834	-	-	1	834	-
12	**Subtotal Rural**	-	**81,640**	**404,684**	**79,223**	**79,223**	**75,753**	**75,753**	**22,926**	**70,095**	**22,926**	**70,095**	**22,926**	**30,916**	**30,916**	**1**	**22,926**	-
13	**Total**	-	**1,306,780**	**6,457,597**	**1,268,086**	**79,223**	**75,753**	**75,753**	**22,926**	**70,095**	**22,926**	**70,095**	**22,926**	**30,916**	**30,916**	**1**	**22,926**	-
	Ratios Excluding Return on Equity																	
14	Newfoundland Power	-	0.8545	0.7936	0.8545	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Industrial - Firm	-	0.0830	0.1430	0.0830	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Industrial - Non-Firm	-	-	0.0008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
17	1.1 Domestic	-	0.0211	0.0190	0.0211	0.3371	0.3371	0.3371	0.5417	0.3394	0.5417	0.3394	0.5417	0.4017	0.4017	-	0.5417	-
18	1.12 Domestic All Electric	-	0.0215	0.0187	0.0215	0.3445	0.3445	0.3445	0.2953	0.3468	0.2953	0.3468	0.2953	0.2190	0.2190	-	0.2953	-
19	1.3 Special	-	0.0001	0.0000	0.0001	0.0009	0.0009	0.0009	0.0000	0.0009	0.0000	0.0009	0.0000	0.0000	0.0000	-	0.0000	-
20	2.1 GS 0-10 kW	-	0.0021	0.0026	0.0021	0.0343	0.0343	0.0343	0.0844	0.0345	0.0844	0.0345	0.0844	0.1252	0.1252	-	0.0844	-
21	2.2 GS 10-100 kW	-	0.0101	0.0098	0.0101	0.1622	0.1622	0.1622	0.0385	0.1630	0.0385	0.1630	0.0385	0.2305	0.2305	-	0.0385	-
22	2.3 GS 110-1,000 kVa	-	0.0055	0.0073	0.0055	0.0884	0.0884	0.0884	0.0034	0.0844	0.0034	0.0844	0.0034	0.0219	0.0219	-	0.0034	-
23	2.4 GS Over 1,000 kVa	-	0.0014	0.0047	0.0014	0.0225	0.0225	0.0225	0.0003	0.0208	0.0003	0.0208	0.0003	0.0017	0.0017	-	0.0003	-
24	4.1 Street and Area Lighting	-	0.0006	0.0005	0.0006	0.0101	0.0101	0.0101	0.0364	0.0102	0.0364	0.0102	0.0364	-	-	1.0000	0.0364	-
25	**Subtotal Rural**	-	**0.0625**	**0.0627**	**0.0625**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	-
26	**Total**	-	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax (Prior Year (Rural Revenues)	20 Revenue Related PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	Newfoundland Power	-	315,369,152
2	Industrial - Firm	-	46,553,585
3	Industrial - Non-Firm	-	677,472
	Rural		
4	1.1 Domestic	11,849,683	11,849,683
5	1.12 Domestic All Electric	10,610,964	10,610,964
6	1.3 Special	8,381	8,381
7	2.1 GS 0-10 kW	2,059,488	2,059,488
8	2.2 GS 10-100 kW	6,082,852	6,082,852
9	2.3 GS 110-1,000 kVa	3,889,519	3,889,519
10	2.4 GS Over 1,000 kVa	1,841,101	1,841,101
11	4.1 Street and Area Lighting	875,505	875,505
12	**Subtotal Rural**	**37,217,493**	**37,217,493**
13	**Total**	**37,217,493**	**399,817,702**
	Ratios Excluding Return on Equity		
14	Newfoundland Power	-	0.7888
15	Industrial - Firm	-	0.1164
16	Industrial - Non-Firm	-	0.0017
	Rural		
17	1.1 Domestic	0.3184	0.0296
18	1.12 Domestic All Electric	0.2851	0.0265
19	1.3 Special	0.0002	0.0000
20	2.1 GS 0-10 kW	0.0553	0.0052
21	2.2 GS 10-100 kW	0.1634	0.0152
22	2.3 GS 110-1,000 kVa	0.1045	0.0097
23	2.4 GS Over 1,000 kVa	0.0495	0.0046
24	4.1 Street and Area Lighting	0.0235	0.0022
25	**Subtotal Rural**	**1.0000**	**0.0931**
26	**Total**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6 Rural Prod & Transmission Demand	7 Distribution Substations Demand	8 Primary Lines Demand	9 Primary Lines Customer	10 Line Transformers Demand	11 Line Transformers Customer	12 Secondary Lines Demand	13 Secondary Lines Customer	14 Services Customer	15 Meters Customer	16 Street Lighting Customer	17 Accounting Customer	18 Specifically Assigned Customer
	Allocated Rev Reqmt Excl Return		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
1	Newfoundland Power	212,217,963	45,506,284	153,644,087	10,513,704	-	-	-	-	-	-	-	-	-	-	-	-	2,111,728
2	Industrial - Firm	33,733,488	4,421,349	27,680,078	1,021,502	-	-	-	-	-	-	-	-	-	-	-	-	545,289
3	Industrial - Non-Firm	152,613	-	151,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
4	1.1 Domestic	14,002,813	1,121,654	3,675,043	259,145	1,998,735	470,634	2,186,854	832,036	131,679	371,984	294,248	512,112	213,336	155,667	-	1,477,353	-
5	1.12 Domestic All Electric	12,440,829	1,146,177	3,623,950	264,811	2,042,435	480,924	2,234,667	453,539	134,558	202,767	300,681	279,150	116,288	84,853	-	805,299	-
6	1.3 Special	24,001	3,041	5,981	702	5,418	1,276	5,928	67	357	30	798	41	17	13	-	119	-
7	2.1 GS 0-10 kW	1,821,430	114,044	498,832	26,349	203,222	47,852	222,349	129,717	13,389	57,993	29,918	79,840	66,519	48,538	-	230,323	-
8	2.2 GS 10-100 kW	5,608,714	539,504	1,906,374	124,646	961,372	226,370	1,051,855	59,163	63,234	26,450	141,302	36,414	122,440	89,342	-	105,049	-
9	2.3 GS 110-1,000 kVa	3,234,304	294,017	1,406,262	67,929	523,925	123,366	573,236	5,293	32,738	2,366	73,156	3,258	11,633	8,488	-	9,399	-
10	2.4 GS Over 1,000 kVa	1,394,784	74,054	915,240	17,317	133,564	31,450	146,135	402	8,063	180	18,016	247	884	645	-	714	
11	4.1 Street and Area Lighting	703,846	33,663	101,381	7,777	59,986	14,125	65,632	55,847	3,952	24,968	8,831	34,373	-	-	171,814	99,160	-
12	**Subtotal Rural**	**39,230,723**	**3,327,053**	**12,133,065**	**768,677**	**5,928,657**	**1,395,998**	**6,486,654**	**1,536,064**	**387,970**	**686,739**	**866,949**	**945,437**	**531,116**	**387,546**	**171,814**	**2,727,416**	**-**
13	**Total**	**285,334,787**	**53,254,686**	**193,608,893**	**12,303,883**	**5,928,657**	**1,395,998**	**6,486,654**	**1,536,064**	**387,970**	**686,739**	**866,949**	**945,437**	**531,116**	**387,546**	**171,814**	**2,727,416**	**2,657,017**
	Allocated Return on Debt																	
14	Newfoundland Power	71,400,329	27,957,790	32,053,986	9,498,121	-	-	-	-	-	-	-	-	-	-	-	-	1,890,431
15	Industrial - Firm	9,632,405	2,716,354	5,774,754	922,829	-	-	-	-	-	-	-	-	-	-	-	-	218,469
16	Industrial - Non-Firm	31,641	-	31,641	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
17	1.1 Domestic	5,897,100	689,113	766,706	234,113	1,844,158	244,657	926,452	369,218	64,631	182,577	127,133	223,648	74,596	48,727	-	101,372	-
18	1.12 Domestic All Electric	5,521,777	704,179	756,046	239,231	1,884,479	250,006	946,708	201,259	66,044	99,522	129,913	121,910	40,662	26,561	-	55,258	-
19	1.3 Special	12,524	1,868	1,248	635	4,999	663	2,511	30	175	15	345	18	6	4	-	8	-
20	2.1 GS 0-10 kW	699,164	70,066	104,069	23,803	187,505	24,876	94,197	57,562	6,571	28,464	12,926	34,867	23,259	15,193	-	15,804	-
21	2.2 GS 10-100 kW	2,517,306	331,456	397,717	112,606	887,022	117,678	445,614	26,254	31,037	12,982	61,051	15,903	42,813	27,966	-	7,208	-
22	2.3 GS 110-1,000 kVa	1,385,750	180,636	293,381	61,368	483,406	64,131	242,849	2,349	16,069	1,162	31,608	1,423	4,068	2,657	-	645	-
23	2.4 GS Over 1,000 kVa	466,805	46,049	190,942	15,644	123,235	16,349	61,910	178	3,957	88	7,784	108	309	202	-	49	-
24	4.1 Street and Area Lighting	294,693	20,682	21,151	7,026	55,347	7,343	27,805	24,782	1,940	12,255	3,816	15,011	-	-	90,733	6,804	-
25	**Subtotal Rural**	**16,795,119**	**2,044,049**	**2,531,260**	**694,426**	**5,470,150**	**725,702**	**2,748,047**	**681,632**	**190,423**	**337,064**	**374,575**	**412,888**	**185,712**	**121,310**	**90,733**	**187,148**	**-**
26	**Total**	**97,859,494**	**32,718,192**	**40,391,641**	**11,115,376**	**5,470,150**	**725,702**	**2,748,047**	**681,632**	**190,423**	**337,064**	**374,575**	**412,888**	**185,712**	**121,310**	**90,733**	**187,148**	**2,108,900**
	Allocated Return on Equity																	
27	Newfoundland Power	7,464,226	2,922,721	3,350,940	992,938	-	-	-	-	-	-	-	-	-	-	-	-	197,627
28	Industrial - Firm	1,006,976	283,969	603,696	96,473	-	-	-	-	-	-	-	-	-	-	-	-	22,839
29	Industrial - Non-Firm	3,308	-	3,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
30	1.1 Domestic	176,666	72,040	80,152	24,474	-	-	-	-	-	-	-	-	-	-	-	-	-
31	1.12 Domestic All Electric	177,662	73,615	79,037	25,009	-	-	-	-	-	-	-	-	-	-	-	-	-
32	1.3 Special	392	195	130	66	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.1 GS 0-10 kW	20,693	7,325	10,879	2,488	-	-	-	-	-	-	-	-	-	-	-	-	-
34	2.2 GS 10-100 kW	88,000	34,651	41,578	11,772	-	-	-	-	-	-	-	-	-	-	-	-	-
35	2.3 GS 110-1,000 kVa	55,969	18,884	30,670	6,415	-	-	-	-	-	-	-	-	-	-	-	-	-
36	2.4 GS Over 1,000 kVa	26,411	4,814	19,961	1,635	-	-	-	-	-	-	-	-	-	-	-	-	-
37	4.1 Street and Area Lighting	5,108	2,162	2,211	735	-	-	-	-	-	-	-	-	-	-	-	-	-
38	**Subtotal Rural**	**550,901**	**213,686**	**264,619**	**72,596**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
39	**Total**	**9,025,410**	**3,420,376**	**4,222,562**	**1,162,007**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**220,465**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax	20 Revenue Related PUB Assessment
	Allocated Rev Reqmt Excl Return		($)
1	Newfoundland Power	-	442,160
2	Industrial - Firm	-	65,270
3	Industrial - Non-Firm	-	950
	Rural		
4	1.1 Domestic	285,719	16,614
5	1.12 Domestic All Electric	255,851	14,877
6	1.3 Special	202	12
7	2.1 GS 0-10 kW	49,658	2,887
8	2.2 GS 10-100 kW	146,670	8,528
9	2.3 GS 110-1,000 kVa	93,784	5,453
10	2.4 GS Over 1,000 kVa	44,393	2,581
11	4.1 Street and Area Lighting	21,110	1,227
12	**Subtotal Rural**	**897,387**	**52,180**
13	**Total**	**897,387**	**560,561**
	Allocated Return on Debt		
14	Newfoundland Power	-	-
15	Industrial - Firm	-	-
16	Industrial - Non-Firm	-	-
	Rural		
17	1.1 Domestic	-	-
18	1.12 Domestic All Electric	-	-
19	1.3 Special	-	-
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	-	-
22	2.3 GS 110-1,000 kVa	-	-
23	2.4 GS Over 1,000 kVa	-	-
24	4.1 Street and Area Lighting	-	-
25	**Subtotal Rural**	-	-
26	**Total**	-	-
	Allocated Return on Equity		
27	Newfoundland Power	-	-
28	Industrial - Firm	-	-
29	Industrial - Non-Firm	-	-
	Rural		
30	1.1 Domestic	-	-
31	1.12 Domestic All Electric	-	-
32	1.3 Special	-	-
33	2.1 GS 0-10 kW	-	-
34	2.2 GS 10-100 kW	-	-
35	2.3 GS 110-1,000 kVa	-	-
36	2.4 GS Over 1,000 kVa	-	-
37	4.1 Street and Area Lighting	-	-
38	**Subtotal Rural**	-	-
39	**Total**	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned Customer ($)
	Total Revenue Requiremt																	
40	Newfoundland Power	291,082,517	76,386,795	189,049,013	21,004,763	-	-	-	-	-	-	-	-	-	-	-	-	4,199,786
41	Industrial - Firm	44,372,870	7,421,672	34,058,528	2,040,804	-	-	-	-	-	-	-	-	-	-	-	-	786,596
42	Industrial - Non-Firm	187,561	-	186,612	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
43	1.1 Domestic	20,076,579	1,882,806	4,521,901	517,732	3,842,894	715,291	3,113,306	1,201,254	196,310	554,561	421,381	735,760	287,931	204,394	-	1,578,725	-
44	1.12 Domestic All Electric	18,140,268	1,923,972	4,459,034	529,052	3,926,914	730,930	3,181,375	654,798	200,602	302,289	430,594	401,060	156,950	111,414	-	860,556	-
45	1.3 Special	36,918	5,104	7,359	1,403	10,417	1,939	8,439	97	532	45	1,142	59	23	16	-	127	-
46	2.1 GS 0-10 kW	2,541,288	191,435	613,780	52,641	390,727	72,727	316,546	187,279	19,960	86,458	42,844	114,707	89,778	63,731	-	246,128	-
47	2.2 GS 10-100 kW	8,214,020	905,611	2,345,669	249,024	1,848,393	344,048	1,497,469	85,417	94,271	39,433	202,353	52,317	165,252	117,308	-	112,258	-
48	2.3 GS 110-1,000 kVa	4,676,023	493,536	1,730,314	135,712	1,007,330	187,498	816,085	7,642	48,807	3,528	104,764	4,681	15,701	11,145	-	10,043	-
49	2.4 GS Over 1,000 kVa	1,888,000	125,317	1,126,143	34,597	256,799	47,799	208,045	580	12,020	268	25,801	355	1,192	846	-	763	-
50	4.1 Sireet and Area Lighting	1,003,647	56,507	124,743	15,538	115,333	21,467	93,436	80,629	5,892	37,222	12,646	49,384	-	-	262,547	105,965	-
51	**Subtotal Rural**	**56,576,743**	**5,584,788**	**14,928,944**	**1,535,699**	**11,398,807**	**2,121,700**	**9,234,701**	**2,217,696**	**578,393**	**1,023,803**	**1,241,524**	**1,358,325**	**716,828**	**508,855**	**262,547**	**2,914,564**	**-**
52	**Total**	**392,219,691**	**89,393,255**	**238,223,096**	**24,581,266**	**11,398,807**	**2,121,700**	**9,234,701**	**2,217,696**	**578,393**	**1,023,803**	**1,241,524**	**1,358,325**	**716,828**	**508,855**	**262,547**	**2,914,564**	**4,986,381**
	Re-classification of Revenue-Related																	
53	Newfoundland Power	-	116,210	287,606	31,955	-	-	-	-	-	-	-	-	-	-	-	-	6,389
54	Industrial - Firm	-	10,933	50,172	3,006	-	-	-	-	-	-	-	-	-	-	-	-	1,159
55	Industrial - Non-Firm	-	-	950	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
56	1.1 Domestic	(0)	28,787	69,136	7,916	58,755	10,936	47,600	18,366	3,001	8,479	6,443	11,249	4,402	3,125	-	24,137	-
57	1.12 Domestic All Electric	(0)	29,149	67,556	8,015	59,494	11,074	48,199	9,920	3,039	4,580	6,524	6,076	2,378	1,688	-	13,038	-
58	1.3 Special	0	30	43	8	61	11	49	1	3	0	7	0	0	0	-	1	-
59	2.1 GS 0-10 kW	(0)	4,042	12,959	1,111	8,250	1,536	6,683	3,954	421	1,825	905	2,422	1,896	1,346	-	5,197	-
60	2.2 GS 10-100 kW	(0)	17,440	45,173	4,796	35,597	6,626	28,838	1,645	1,815	759	3,897	1,008	3,182	2,259	-	2,162	-
61	2.3 GS 110-1,000 kVa	(0)	10,701	37,518	2,943	21,842	4,065	17,695	166	1,058	76	2,272	101	340	242	-	218	-
62	2.4 GS Over 1,000 kVa	0	3,210	28,734	883	6,552	1,220	5,308	15	307	7	658	9	30	22	-	19	-
63	4.1 Street and Area Lighting	-	1,286	2,840	354	2,625	489	2,127	1,835	134	847	288	1,124	-	-	5,976	2,412	-
64	**Subtotal Rural**	**(0)**	**94,645**	**263,958**	**26,025**	**193,175**	**35,956**	**156,500**	**35,902**	**9,780**	**16,574**	**20,992**	**21,990**	**12,229**	**8,681**	**5,976**	**47,184**	**-**
65	**Total**	**(0)**	**221,788**	**602,686**	**60,987**	**193,175**	**35,956**	**156,500**	**35,902**	**9,780**	**16,574**	**20,992**	**21,990**	**12,229**	**8,681**	**5,976**	**47,184**	**7,548**
	Total Allocated Revenue Requirement																	
66	Newfoundland Power	291,082,517	76,503,005	189,336,619	21,036,718	-	-	-	-	-	-	-	-	-	-	-	-	4,206,175
67	Industrial - Firm	44,372,870	7,432,605	34,108,700	2,043,810	-	-	-	-	-	-	-	-	-	-	-	-	787,755
68	Industrial - Non-Firm	187,561	-	187,561	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																	
69	1.1 Domestic	20,076,579	1,911,593	4,591,037	525,648	3,901,649	726,228	3,160,906	1,219,620	199,311	563,040	427,823	747,010	292,333	207,519	-	1,602,862	-
70	1.12 Domestic All Electric	18,140,268	1,953,120	4,526,590	537,067	3,986,407	742,004	3,229,573	664,719	203,641	306,869	437,117	407,136	159,328	113,102	-	873,594	-
71	1.3 Special	36,918	5,134	7,402	1,412	10,478	1,950	8,489	97	535	45	1,149	60	23	17	-	128	-
72	2.1 GS 0-10 kW	2,541,288	195,477	626,739	53,752	398,977	74,263	323,230	191,233	20,381	88,283	43,749	117,129	91,674	65,077	-	251,324	-
73	2.2 GS 10-100 kW	8,214,020	923,051	2,390,842	253,820	1,883,990	350,674	1,526,307	87,062	96,086	40,192	206,250	53,325	168,435	119,567	-	114,419	-
74	2.3 GS 110-1,000 kVa	4,676,023	504,238	1,767,832	138,655	1,029,172	191,563	833,780	7,808	49,865	3,604	107,036	4,782	16,041	11,387	-	10,261	-
75	2.4 GS Over 1,000 kVa	1,888,000	129,028	1,154,877	35,480	263,351	49,018	213,353	595	12,326	275	26,459	365	1,223	868	-	782	-
76	4.1 Street and Area Lighting	1,003,647	57,793	127,583	15,892	117,958	21,956	95,563	82,464	6,026	38,070	12,934	50,509	-	-	268,524	108,377	-
77	**Subtotal Rural**	**56,576,743**	**5,679,433**	**15,192,902**	**1,561,725**	**11,591,982**	**2,157,656**	**9,391,201**	**2,253,598**	**588,173**	**1,040,378**	**1,262,516**	**1,380,314**	**729,057**	**517,537**	**268,524**	**2,961,748**	**-**
78	**Total**	**392,219,691**	**89,615,042**	**238,825,783**	**24,642,253**	**11,591,982**	**2,157,656**	**9,391,201**	**2,253,598**	**588,173**	**1,040,378**	**1,262,516**	**1,380,314**	**729,057**	**517,537**	**268,524**	**2,961,748**	**4,993,930**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax ($)	20 Revenue Related PUB Assessment ($)	Basis of Proration
	Total Revenue Requiremt			
40	Newfoundland Power	-	442,160	
41	Industrial - Firm	-	65,270	
42	Industrial - Non-Firm	-	950	
	Rural			
43	1.1 Domestic	285,719	16,614	
44	1.12 Domestic All Electric	255,851	14,877	
45	1.3 Special	202	12	
46	2.1 GS 0-10 kW	49,658	2,887	
47	2.2 GS 10-100 kW	146,670	8,528	
48	2.3 GS 110-1,000 kVa	93,784	5,453	
49	2.4 GS Over 1,000 kVa	44,393	2,581	
50	4.1 Street and Area Lighting	21,110	1,227	
51	**Subtotal Rural**	**897,387**	**52,180**	
52	**Total**	**897,387**	**560,561**	
	Re-classification of Revenue-Related			
53	Newfoundland Power	-	(442,160)	Re-classification to demand, energy and customer is based on rate class revenue
54	Industrial - Firm	-	(65,270)	requirements excluding revenue-related items.
55	Industrial - Non-Firm	-	(950)	
	Rural			
56	1.1 Domestic	(285,719)	(16,614)	
57	1.12 Domestic All Electric	(255,851)	(14,877)	
58	1.3 Special	(202)	(12)	
59	2.1 GS 0-10 kW	(49,658)	(2,887)	
60	2.2 GS 10-100 kW	(146,670)	(8,528)	
61	2.3 GS 110-1,000 kVa	(93,784)	(5,453)	
62	2.4 GS Over 1,000 kVa	(44,393)	(2,581)	
63	4.1 Street and Area Lighting	(21,110)	(1,227)	
64	**Subtotal Rural**	**(897,387)**	**(52,180)**	
65	**Total**	**(897,387)**	**(560,561)**	
	Total Allocated Revenue Requirement			
66	Newfoundland Power	-	-	
67	Industrial - Firm	-	-	
68	Industrial - Non-Firm	-	-	
	Rural			
69	1.1 Domestic	-	-	
70	1.12 Domestic All Electric	-	-	
71	1.3 Special	-	-	
72	2.1 GS 0-10 kW	-	-	
73	2.2 GS 10-100 kW	-	-	
74	2.3 GS 110-1,000 kVa	-	-	
75	2.4 GS Over 1,000 kVa	-	-	
76	4.1 Street and Area Lighting	-	-	
77	**Subtotal Rural**	**-**	**-**	
78	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Allocation of Specifically Assigned Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 OM&A Transmission Lines ($) (Plant)	4 OM&A Transmission Terminals ($) (Plant)	5 OM&A Administrative & General ($) (C3 & C4)	6 OM&A Other ($) (C3 & C4)	7 Depreciation Transmission Lines ($) (Direct)	8 Depreciation Transmission Terminals ($) (Direct)	9 Depreciation Telecontrol & Feasibility Study ($) (Direct)	10 Depreciation General ($) (Exp C3,4,6)	11 Expense Credits Rental Income ($) (Plant)	12 Expense Credits Other ($) (C6)	13 Gains/Losses ($) (NBV)	14 Subtotal Excluding Return ($)	15 Return on Debt ($) (NBV)	16 Return on Equity ($) (NBV)	17 Subtotal Excl Rev Related ($)	18 Revenue Related ($)
	Basis of Allocation - Amounts																	
1	Newfoundland Power		21,938,901	10,211,033	32,149,934	32,149,934	-	-	-	558,708	32,149,934	32,149,934	24,024,410	-	24,024,410	24,024,410	-	-
	Industrial																	
2	Abitibi Consolidated - S'ville		122,926	551,111	674,037	674,037	-	-	-	17,205	674,037	674,037	526,255	-	526,255	526,255	-	-
3	Abitibi Consolidated - GF		-	11,728	11,728	11,728	-	-	-	334	11,728	11,728	6,633	-	6,633	6,633	-	-
4	Corner Brook P& P - CB		-	3,271,616	3,271,616	3,271,616	-	-	-	93,228	3,271,616	3,271,616	1,714,194	-	1,714,194	1,714,194	-	-
5	Corner Brook P& P - DL		-	22,005	22,005	22,005	-	-	-	627	22,005	22,005	18,832	-	18,832	18,832	-	-
6	North Atlantic Refining Limited		-	1,101,024	1,101,024	1,101,024	-	-	-	31,375	1,101,024	1,101,024	510,477	-	510,477	510,477	-	-
7	Aur Resources		4,200,000	1,255,000	5,455,000	5,455,000	-	-	-	-	5,455,000	5,455,000	-	-	-	-	-	-
8	**Subtotal Industrial**		**4,322,926**	**6,212,484**	**10,535,410**	**10,535,410**	**-**	**-**	**-**	**142,769**	**10,535,410**	**10,535,410**	**2,776,392**	**-**	**2,776,392**	**2,776,392**	**-**	**-**
9	**Total**		**26,261,827**	**16,423,517**	**42,685,344**	**42,685,344**	**-**	**-**	**-**	**701,477**	**42,685,344**	**42,685,344**	**26,800,802**	**-**	**26,800,802**	**26,800,802**	**-**	**-**
10	**Basis of Allocation - Ratios**																	
11	Newfoundland Power		0.8354	0.6217	0.7532	0.7532	-	-	-	0.7965	0.7532	0.7532	0.8964	-	0.8964	0.8964	-	-
	Industrial																	
12	Abitibi Consolidated - S'ville		0.0047	0.0336	0.0158	0.0158	-	-	-	0.0245	0.0158	0.0158	0.0196	-	0.0196	0.0196	-	-
13	Abitibi Consolidated - GF		-	0.0007	0.0003	0.0003	-	-	-	0.0005	0.0003	0.0003	0.0002	-	0.0002	0.0002	-	-
14	Corner Brook P& P - CB		-	0.1992	0.0766	0.0766	-	-	-	0.1329	0.0766	0.0766	0.0640	-	0.0640	0.0640	-	-
15	Corner Brook P& P - DL		-	0.0013	0.0005	0.0005	-	-	-	0.0009	0.0005	0.0005	0.0007	-	0.0007	0.0007	-	-
16	North Atlantic Refining Ltd.		-	0.0670	0.0258	0.0258	-	-	-	0.0447	0.0258	0.0258	0.0190	-	0.0190	0.0190	-	-
17	Aur Resources		0.1599	0.0764	0.1278	0.1278	-	-	-	-	0.1278	0.1278	-	-	-	-	-	-
18	**Subtotal Industrial**		**0.1646**	**0.3783**	**0.2468**	**0.2468**	**-**	**-**	**-**	**0.2035**	**0.2468**	**0.2468**	**0.1036**	**-**	**0.1036**	**0.1036**	**-**	**-**
19	**Total**		**1.0000**	**1.0000**	**1.0000**	**1.0000**	**-**	**-**	**-**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**-**	**1.0000**	**1.0000**	**-**	**-**
	Amounts Allocated																	
20	Newfoundland Power	4,206,175	178,810	249,587	475,277	130,310	555,765	320,745	-	175,076	-	(6,484)	32,641	2,111,728	1,890,431	197,627	4,199,786	6,389
	Industrial																	
21	Abitibi Consolidated - S'ville	107,330	1,002	13,471	9,964	2,732	1,954	17,046	9,294	5,391	-	(136)	715	61,434	41,410	4,329	107,172	158
22	Abitibi Consolidated - GF	1,283	-	287	173	48	-	86	-	105	-	(2)	9	705	522	55	1,281	2
23	Corner Brook P& P - CB	354,831	-	79,968	48,365	13,261	-	32,845	-	29,214	-	(660)	2,329	205,321	134,886	14,101	354,309	522
24	Corner Brook P& P - DL	3,102	-	538	325	89	-	291	-	196	-	(4)	26	1,461	1,482	155	3,098	5
25	North Atlantic Refining Ltd.	154,403	-	26,912	16,277	4,463	-	51,854	-	9,832	-	(222)	694	109,808	40,168	4,199	154,176	227
26	Aur Resources	166,805	34,232	30,676	80,642	22,110	-	-	-	-	-	(1,100)	-	166,560	-	-	166,560	245
27	**Subtotal Industrial**	**787,755**	**35,234**	**151,851**	**155,747**	**42,702**	**1,954**	**102,122**	**9,294**	**44,738**	**-**	**(2,125)**	**3,772**	**545,289**	**218,469**	**22,839**	**786,596**	**1,159**
28	**Total**	**4,993,930**	**214,044**	**401,438**	**631,024**	**173,012**	**557,719**	**422,866**	**9,294**	**219,813**	**-**	**(8,608)**	**36,413**	**2,657,017**	**2,108,900**	**220,465**	**4,986,381**	**7,548**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Expenses																
1	Operating & Maintenance	5,192,906	2,041,913	1,967,470	-	-	428,510	131,995	37,655	66,653	101,164	102,586	87,905	17,357	18,088	157,349	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	1,934,202	-	1,934,202	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	119,395	-	119,395	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	754,722	334,909	327,075	-	-	37,290	11,784	3,629	6,423	8,493	8,822	8,647	2,963	1,640	3,048	-
	Expense Credits																
8	Sundry	(29,579)	(11,631)	(11,207)	-	-	(2,441)	(752)	(214)	(380)	(576)	(584)	(501)	(99)	(103)	(896)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(1,911)	(752)	(724)	-	-	(158)	(49)	(14)	(25)	(37)	(38)	(32)	(6)	(7)	(58)	-
12	Pole Attachments	(24,477)	-	-	-	-	(14,156)	(4,838)	-	-	(2,506)	(2,977)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(432)	-	-	-	-	-	-	-	-	-	-	-	-	-	(432)	-
16	Meter Test Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total Expense Credits**	(56,399)	(12,382)	(11,931)	-	-	(16,755)	(5,638)	(228)	(404)	(3,119)	(3,599)	(533)	(105)	(110)	(1,386)	-
18	**Subtotal Expenses**	7,944,825	2,364,440	4,336,211	-	-	449,045	138,140	41,056	72,672	106,539	107,808	96,019	20,215	19,618	159,011	-
19	Disposal Gain / Loss	1,000	422	403	-	-	68	20	8	15	15	15	18	5	5	5	-
20	**Subtotal Revenue Requirement Ex. Return**	7,945,825	2,364,862	4,336,614	-	-	449,113	138,160	41,064	72,687	106,554	107,823	96,037	20,220	19,622	159,016	-
21	Return on Debt	684,635	284,215	282,785	-	-	45,753	13,621	5,620	9,948	10,154	10,306	12,302	3,626	3,043	3,264	-
22	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Revenue Requirement**	8,630,461	2,649,077	4,619,399	-	-	494,866	151,781	46,684	82,635	116,708	118,129	108,339	23,846	22,665	162,280	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Expenses			
1	Operating & Maintenance	32,378	1,883	Carryforward from Sch.2.4 L.23
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(184)	(11)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
11	Suppliers' Discounts	(12)	(1)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	**Total Expense Credits**	(196)	(11)	
18	**Subtotal Expenses**	**32,182**	**1,871**	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	**Subtotal Revenue Requirement Ex. Return**	**32,182**	**1,871**	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	**Total Revenue Requirement**	**32,182**	**1,871**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmissior Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	12,075,970	6,029,090	6,046,879	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**12,075,970**	**6,029,090**	**6,046,879**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmissior**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
6	Substation Structures & Equipment	240,282	240,282	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	23,253	-	-	-	-	17,532	2,233	-	-	2,033	1,454	-	-	-	-	-
8	Poles	1,874,543	-	-	-	-	1,084,138	370,507	-	-	191,893	228,004	-	-	-	-	-
9	Primary Conductor & Equipment	208,404	-	-	-	-	184,855	23,550	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	313,168	-	-	-	-	-	-	113,054	200,114	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	188,338	-	-	-	-	-	-	-	-	109,801	78,537	-	-	-	-	-
13	Services	263,920	-	-	-	-	-	-	-	-	-	-	263,920	-	-	-	-
14	Meters	78,191	-	-	-	-	-	-	-	-	-	-	-	78,191	-	-	-
15	Street Lighting	54,305	-	-	-	-	-	-	-	-	-	-	-	-	54,305	-	-
16	**Subtotal Distribution**	**3,244,405**	**240,282**	**-**	**-**	**-**	**1,286,524**	**396,290**	**113,054**	**200,114**	**303,728**	**307,996**	**263,920**	**78,191**	**54,305**	**-**	**-**
17	**Subttl Prod, Trans, & Dist**	**15,320,374**	**6,269,372**	**6,046,879**	**-**	**-**	**1,286,524**	**396,290**	**113,054**	**200,114**	**303,728**	**307,996**	**263,920**	**78,191**	**54,305**	**-**	**-**
18	General	2,147,212	883,249	859,659	-	-	139,851	43,079	12,289	21,753	33,017	33,480	28,689	4,037	5,903	82,206	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	23,695	9,697	9,352	-	-	1,990	613	175	310	470	476	408	121	84	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Plant**	**17,491,282**	**7,162,318**	**6,915,890**	**-**	**-**	**1,428,365**	**439,982**	**125,518**	**222,177**	**337,214**	**341,953**	**293,017**	**82,349**	**60,293**	**82,206**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.6
2	**Subtotal Production**	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	**Subtotal Transmission**	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	**Subtotal Distribution**	
17	**Subttl Prod, Trans, & Dist**	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.10, 11
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	**Total Plant**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	6,264,353	3,127,562	3,136,790	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**6,264,353**	**3,127,562**	**3,136,790**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
6	Substation Structures & Equipment	166,972	166,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	1,916	-	-	-	-	1,445	184	-	-	168	120	-	-	-	-	-
8	Poles	719,383	-	-	-	-	416,054	142,187	-	-	73,642	87,500	-	-	-	-	-
9	Primary Conductor & Equipment	125,663	-	-	-	-	111,463	14,200	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	188,407	-	-	-	-	-	-	68,015	120,392	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	72,650	-	-	-	-	-	-	-	-	42,355	30,295	-	-	-	-	-
13	Services	147,767	-	-	-	-	-	-	-	-	-	-	147,767	-	-	-	-
14	Meters	45,913	-	-	-	-	-	-	-	-	-	-	-	45,913	-	-	-
15	Street Lighting	37,294	-	-	-	-	-	-	-	-	-	-	-	-	37,294	-	-
16	**Subtotal Distribution**	**1,505,966**	**166,972**	**-**	**-**	**-**	**528,961**	**156,571**	**68,015**	**120,392**	**116,164**	**117,915**	**147,767**	**45,913**	**37,294**	**-**	**-**
17	**Subttl Prod, Trans, & Dist**	**7,770,318**	**3,294,535**	**3,136,790**	**-**	**-**	**528,961**	**156,571**	**68,015**	**120,392**	**116,164**	**117,915**	**147,767**	**45,913**	**37,294**	**-**	**-**
18	General	1,129,807	464,743	452,330	-	-	73,586	22,667	6,466	11,446	17,372	17,617	15,096	2,124	3,106	43,255	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	16,868	7,152	6,810	-	-	1,148	340	148	261	252	256	321	100	81	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Net Book Value**	**8,916,993**	**3,766,429**	**3,595,930**	**-**	**-**	**603,695**	**179,578**	**74,629**	**132,100**	**133,789**	**135,787**	**163,184**	**48,137**	**40,481**	**43,255**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	1,997,196	997,127	1,000,069	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	351,853	175,668	176,186	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**2,349,049**	**1,172,794**	**1,176,255**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	**Subtotal Transmission**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
7	Other	470,937	35,739	-	-	-	191,355	58,944	16,815	29,765	45,176	45,811	39,255	-	8,077	-	-
8	Meters	5,523	-	-	-	-	-	-	-	-	-	-	-	5,523	-	-	-
9	**Subtotal Distribution**	**476,460**	**35,739**	**-**	**-**	**-**	**191,355**	**58,944**	**16,815**	**29,765**	**45,176**	**45,811**	**39,255**	**5,523**	**8,077**	**-**	**-**
10	**Subttl Prod, Trans, & Dist**	**2,825,509**	**1,208,533**	**1,176,255**	**-**	**-**	**191,355**	**58,944**	**16,815**	**29,765**	**45,176**	**45,811**	**39,255**	**5,523**	**8,077**	**-**	**-**
11	Customer Accounting	112,481	-	-	-	-	-	-	-	-	-	-	-	-	-	112,481	-
	Administrative & General:																
	Plant-Related:																
12	Production	364,345	181,904	182,441	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Distribution	336,875	24,949	-	-	-	133,583	41,148	11,739	20,778	31,537	31,980	27,403	8,119	5,639	-	-
15	Prod, Trans, Distn Plant	268,430	109,846	105,948	-	-	22,541	6,943	1,981	3,506	5,322	5,396	4,624	1,370	951	-	-
16	Prod, Trans, Distn and Gen Plt	2,493	1,021	986	-	-	204	63	18	32	48	49	42	12	9	12	-
17	Property Insurance	11,965	5,917	5,713	-	-	116	36	10	18	27	28	24	3	5	68	-
	Revenue Related:																
18	Municipal Tax	32,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	PUB Assessment	1,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	All Expense-Related	1,169,874	481,224	468,371	-	-	76,196	23,471	6,696	11,852	17,989	18,241	15,631	2,199	3,216	44,789	-
21	Prod, Trans, and Distn Expense-Related	66,672	28,517	27,756	-	-	4,515	1,391	397	702	1,066	1,081	926	130	191	-	-
22	**Subtotal Admin & General**	**2,254,916**	**833,379**	**791,215**	**-**	**-**	**237,155**	**73,051**	**20,840**	**36,889**	**55,988**	**56,775**	**48,650**	**11,834**	**10,011**	**44,868**	**-**
23	**Total Operating & Maintenance Expenses**	**5,192,906**	**2,041,913**	**1,967,470**	**-**	**-**	**428,510**	**131,995**	**37,655**	**66,653**	**101,164**	**102,586**	**87,905**	**17,357**	**18,088**	**157,349**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-		Production - Demand, Energy ratios Sch.4.1 L6
3	**Subtotal Production**	-	-	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
6	**Subtotal Transmission**	-	-	
	Distribution			
7	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
8	Meters	-	-	Meters - Customer
9	**Subtotal Distribution**	-	-	
10	**Subttl Prod, Trans, & Dist**	-	-	
11	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
12	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
13	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
14	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
15	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn and Gen Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch:2.2 L.23
17	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
18	Municipal Tax	32,378	-	Revenue-related
19	PUB Assessment	-	1,883	Revenue-related
20	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.10, 11
21	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.10
22	**Subtotal Admin & General**	**32,378**	**1,883**	
23	**Total Operating & Maintenance Expenses**	**32,378**	**1,883**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	570,588	284,874	285,714	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**570,588**	**284,874**	**285,714**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
6	Substn Struct & Eqpt	7,577	7,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	128	-	-	-	-	97	12	-	-	11	8	-	-	-	-	-
8	Poles	47,596	-	-	-	-	27,527	9,407	-	-	4,872	5,789	-	-	-	-	-
9	Primary Conductor & Equipment	3,889	-	-	-	-	3,449	439	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	8,507	-	-	-	-	-	-	3,071	5,436	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	3,691	-	-	-	-	-	-	-	-	2,152	1,539	-	-	-	-	-
13	Services	7,339	-	-	-	-	-	-	-	-	-	-	7,339	-	-	-	-
14	Meters	2,723	-	-	-	-	-	-	-	-	-	-	-	2,723	-	-	-
15	Street Lighting	1,375	-	-	-	-	-	-	-	-	-	-	-	-	1,375	-	-
16	**Subtotal Distribution**	**82,826**	**7,577**	**-**	**-**	**-**	**31,073**	**9,859**	**3,071**	**5,436**	**7,036**	**7,337**	**7,339**	**2,723**	**1,375**	**-**	**-**
17	**Subtotal Prod Tran & Dist**	**653,414**	**292,451**	**285,714**	**-**	**-**	**31,073**	**9,859**	**3,071**	**5,436**	**7,036**	**7,337**	**7,339**	**2,723**	**1,375**	**-**	**-**
18	General	79,613	32,748	31,874	-	-	5,185	1,597	456	807	1,224	1,241	1,064	150	219	3,048	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	21,695	9,710	9,487	-	-	1,032	327	102	180	234	244	244	90	46	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Depreciation Expense**	**754,722**	**334,909**	**327,075**	**-**	**-**	**37,290**	**11,784**	**3,629**	**6,423**	**8,493**	**8,822**	**8,647**	**2,963**	**1,640**	**3,048**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmissior Demand ($)	6 Distribution Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
1	Average Net Book Value	8,916,993	3,766,429	3,595,930	-	-	603,695	179,578	74,629	132,100	133,789	135,787	163,184	48,137	40,481	43,255	-
2	Cash Working Capital	20,038	8,464	8,081	-	-	1,357	404	168	297	301	305	367	108	91	97	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	162,481	-	162,481	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	176,535	72,287	69,800	-	-	14,416	4,441	1,267	2,242	3,403	3,451	2,957	831	609	830	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	497,729	210,235	200,718	-	-	33,697	10,024	4,166	7,374	7,468	7,579	9,109	2,687	2,260	2,414	-
8	Total Rate Base	**9,773,776**	**4,057,415**	**4,037,009**	**-**	**-**	**653,165**	**194,446**	**80,229**	**142,012**	**144,961**	**147,123**	**175,616**	**51,763**	**43,440**	**46,596**	**-**
9	Less: Rural Portion	(9,773,776)	(4,057,415)	(4,037,009)	-	-	(653,165)	(194,446)	(80,229)	(142,012)	(144,961)	(147,123)	(175,616)	(51,763)	(43,440)	(46,596)	-
10	Rate Base Available for Equity Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Return on Debt	684,635	284,215	282,785	-	-	45,753	13,621	5,620	9,948	10,154	10,306	12,302	3,626	3,043	3,264	-
12	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Return on Rate Base	**684,635**	**284,215**	**282,785**	**-**	**-**	**45,753**	**13,621**	**5,620**	**9,948**	**10,154**	**10,306**	**12,302**	**3,626**	**3,043**	**3,264**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Distribution Substations Demand (CP kW)	7 Primary Lines Demand (CP kW)	8 Primary Lines Customer (Rural Cust)	9 Line Transformers Demand (CP kW)	10 Line Transformers Customer (Rural Cust)	11 Secondary Lines Demand (CP kW)	12 Secondary Lines Customer (Rural Cust)	13 Services Customer (Wtd Rural Cust)	14 Meters Customer (Wtd Rural Cust)	15 Street Lighting Customer (Rural Cust)	16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
	Amounts																
1	1.2 Domestic Diesel	-	1,460	5,643	1,460	1,400	1,400	722	1,310	722	1,310	722	722	722	-	722	-
2	1.2G Government Domestic Diesel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	154	861	154	148	148	102	138	102	138	102	204	204	-	102	-
5	2.2 GS 10-100 kW	-	179	927	179	172	172	12	161	12	161	12	97	97	-	12	-
6	2.3 GS 110-1,000 kVa	-	135	1,046	135	129	129	2	121	2	121	2	17	17	-	2	-
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	28	100	28	27	27	36	25	36	25	36	-	-	36	36	-
11	4.1G Gov't Street and Area Lighting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	**-**	**1,955**	**8,577**	**1,955**	**1,875**	**1,875**	**874**	**1,756**	**874**	**1,756**	**874**	**1,040**	**1,040**	**36**	**874**	**-**
	Ratios																
13	1.2 Domestic Diesel	-	0.7465	0.6580	0.7465	0.7465	0.7465	0.8261	0.7465	0.8261	0.7465	0.8261	0.6942	0.6942	-	0.8261	-
14	1.2G Government Domestic Diesel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0787	0.1004	0.0787	0.0787	0.0787	0.1167	0.0787	0.1167	0.0787	0.1167	0.1962	0.1962	-	0.1167	-
17	2.2 GS 10-100 kW	-	0.0916	0.1081	0.0916	0.0916	0.0916	0.0137	0.0916	0.0137	0.0916	0.0137	0.0931	0.0931	-	0.0137	-
18	2.3 GS 110-1,000 kVa	-	0.0690	0.1219	0.0690	0.0690	0.0690	0.0023	0.0690	0.0023	0.0690	0.0023	0.0165	0.0165	-	0.0023	-
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0142	0.0116	0.0142	0.0142	0.0142	0.0412	0.0142	0.0412	0.0142	0.0412	-	-	1.0000	0.0412	-
23	4.1G Gov't Street and Area Lighting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total**	**-**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax (Prior Year (Rural Revenues)	19 Revenue Related PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	1.2 Domestic Diesel	671,606	671,606
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	197,935	197,935
5	2.2 GS 10-100 kW	285,345	285,345
6	2.3 GS 110-1,000 kVa	143,250	143,250
7	2.4 GS Over 1,000 kVa	-	-
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	36,541	36,541
11	4.1G Gov't Street and Area Lighting	-	-
12	**Total**	**1,334,677**	**1,334,677**
	Ratios		
13	1.2 Domestic Diesel	0.5032	0.5032
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1483	0.1483
17	2.2 GS 10-100 kW	0.2138	0.2138
18	2.3 GS 110-1,000 kVa	0.1073	0.1073
19	2.4 GS Over 1,000 kVa	-	-
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0274	0.0274
23	4.1G Gov't Street and Area Lighting	-	-
24	**Total**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Allocated Revenue Requirement Excluding Return																
1	1.2 Domestic Diesel	5,556,429	1,765,255	2,853,288	-	-	335,241	114,132	30,652	60,046	79,537	89,071	66,672	14,037	-	131,361	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	752,169	186,138	435,460	-	-	35,350	16,124	3,232	8,483	8,387	12,583	18,838	3,966	-	18,558	-
5	2.2 GS 10-100 kW	764,784	216,652	468,798	-	-	41,145	1,897	3,762	998	9,762	1,480	8,944	1,883	-	2,183	-
6	2.3 GS 110-1,000 kVa	739,726	163,252	528,617	-	-	31,003	316	2,835	166	7,356	247	1,583	333	-	364	-
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	132,717	33,566	50,451	-	-	6,375	5,691	583	2,994	1,512	4,441	-	-	19,622	6,550	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	**7,945,825**	**2,364,862**	**4,336,614**	**-**	**-**	**449,113**	**138,160**	**41,064**	**72,687**	**106,554**	**107,823**	**96,037**	**20,220**	**19,622**	**159,016**	**-**
	Allocated Return on Debt																
13	1.2 Domestic Diesel	485,875	212,152	186,059	-	-	34,152	11,252	4,195	8,218	7,580	8,513	8,540	2,517	-	2,696	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	63,067	22,370	28,396	-	-	3,601	1,590	442	1,161	799	1,203	2,413	711	-	381	-
17	2.2 GS 10-100 kW	64,237	26,038	30,570	-	-	4,192	187	515	137	930	141	1,146	338	-	45	-
18	2.3 GS 110-1,000 kVa	58,685	19,620	34,470	-	-	3,158	31	388	23	701	24	203	60	-	7	-
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	12,770	4,034	3,290	-	-	649	561	80	410	144	424	-	-	3,043	134	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total**	**684,635**	**284,215**	**282,785**	**-**	**-**	**45,753**	**13,621**	**5,620**	**9,948**	**10,154**	**10,306**	**12,302**	**3,626**	**3,043**	**3,264**	**-**
	Allocated Return on Equity																
25	All Classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Allocated Revenue Requirement Excluding Return			
1	1.2 Domestic Diesel	16,194	942	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	4,773	278	
5	2.2 GS 10-100 kW	6,880	400	
6	2.3 GS 110-1,000 kVa	3,454	201	
7	2.4 GS Over 1,000 kVa	-	-	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	881	51	
11	4.1G Gov't Street and Area Lighting	-	-	
12	**Total**	**32,182**	**1,871**	
	Allocated Return on Debt			
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	**Total**	-	-	
	Allocated Return on Equity			
25	All Classes	-	-	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Total Revenue Requirement																
26	1.2 Domestic Diesel	6,042,304	1,977,408	3,039,348	-	-	369,393	125,384	34,847	68,263	87,117	97,585	75,212	16,555	-	134,057	-
27	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	2.1 GS 0-10 kW	815,237	208,508	463,856	-	-	38,951	17,714	3,674	9,644	9,186	13,786	21,251	4,677	-	18,939	-
30	2.2 GS 10-100 kW	829,022	242,690	499,368	-	-	45,336	2,084	4,277	1,135	10,692	1,622	10,090	2,221	-	2,228	-
31	2.3 GS 110-1,000 kVa	798,412	182,872	563,087	-	-	34,162	347	3,223	189	8,057	270	1,786	393	-	371	-
32	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	4.1 Street and Area Lighting	145,486	37,600	53,740	-	-	7,024	6,252	663	3,404	1,656	4,866	-	-	22,665	6,684	-
36	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	**Total**	**8,630,461**	**2,649,077**	**4,619,399**	**-**	**-**	**494,866**	**151,781**	**46,684**	**82,635**	**116,708**	**118,129**	**108,339**	**23,846**	**22,665**	**162,280**	**-**
	Re-classification of Revenue-Related																
38	1.2 Domestic Diesel	(0)	5,624	8,644	-	-	1,051	357	99	194	248	278	214	47	-	381	-
39	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	2.1 GS 0-10 kW	0	1,300	2,891	-	-	243	110	23	60	57	86	132	29	-	118	-
42	2.2 GS 10-100 kW	(0)	2,150	4,424	-	-	402	18	38	10	95	14	89	20	-	20	-
43	2.3 GS 110-1,000 kVa	(0)	841	2,589	-	-	157	2	15	1	37	1	8	2	-	2	-
44	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	4.1 Street and Area Lighting	(0)	243	347	-	-	45	40	4	22	11	31	-	-	146	43	-
48	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	**Total**	**(0)**	**10,157**	**18,895**	**-**	**-**	**1,897**	**527**	**179**	**287**	**447**	**410**	**444**	**98**	**146**	**564**	**-**
	Total Allocated Revenue Requirement																
50	1.2 Domestic Diesel	6,042,304	1,983,031	3,047,991	-	-	370,444	125,741	34,946	68,457	87,364	97,862	75,426	16,602	-	134,438	-
51	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	2.1 GS 0-10 kW	815,237	209,808	466,748	-	-	39,194	17,824	3,697	9,704	9,243	13,872	21,384	4,707	-	19,057	-
54	2.2 GS 10-100 kW	829,022	244,840	503,792	-	-	45,738	2,102	4,315	1,145	10,787	1,636	10,179	2,241	-	2,248	-
55	2.3 GS 110-1,000 kVa	798,412	183,713	565,677	-	-	34,319	349	3,238	190	8,094	272	1,794	395	-	373	-
56	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	4.1 Street and Area Lighting	145,486	37,842	54,087	-	-	7,069	6,292	667	3,426	1,667	4,897	-	-	22,811	6,727	-
60	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	**Total**	**8,630,461**	**2,659,234**	**4,638,295**	**-**	**-**	**496,763**	**152,308**	**46,863**	**82,922**	**117,155**	**118,539**	**108,783**	**23,944**	**22,811**	**162,844**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Total Revenue Requirement			
26	1.2 Domestic Diesel	16,194	942	
27	1.2G Government Domestic Diesel	-	-	
28	1.23 Churches, Schools & Com Halls	-	-	
29	2.1 GS 0-10 kW	4,773	278	
30	2.2 GS 10-100 kW	6,880	400	
31	2.3 GS 110-1,000 kVa	3,454	201	
32	2.4 GS Over 1,000 kVa	-	-	
33	2.5 GS Diesel	-	-	
34	2.5G Gov't General Service Diesel	-	-	
35	4.1 Street and Area Lighting	881	51	
36	4.1G Gov't Street and Area Lighting	-	-	
37	**Total**	**32,182**	**1,871**	
	Re-classification of Revenue-Related			
38	1.2 Domestic Diesel	(16,194)	(942)	Re-classification to demand, energy and customer is based on rate class revenue
39	1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.
40	1.23 Churches, Schools & Com Halls	-	-	
41	2.1 GS 0-10 kW	(4,773)	(278)	
42	2.2 GS 10-100 kW	(6,880)	(400)	
43	2.3 GS 110-1,000 kVa	(3,454)	(201)	
44	2.4 GS Over 1,000 kVa	-	-	
45	2.5 GS Diesel	-	-	
46	2.5G Gov't General Service Diesel	-	-	
47	4.1 Street and Area Lighting	(881)	(51)	
48	4.1G Gov't Street and Area Lighting	-	-	
49	**Total**	**(32,182)**	**(1,871)**	
	Total Allocated Revenue Requirement			
50	1.2 Domestic Diesel	-	-	
51	1.2G Government Domestic Diesel	-	-	
52	1.23 Churches, Schools & Com Halls	-	-	
53	2.1 GS 0-10 kW	-	-	
54	2.2 GS 10-100 kW	-	-	
55	2.3 GS 110-1,000 kVa	-	-	
56	2.4 GS Over 1,000 kVa	-	-	
57	2.5 GS Diesel	-	-	
58	2.5G Gov't General Service Diesel	-	-	
59	4.1 Street and Area Lighting	-	-	
60	4.1G Gov't Street and Area Lighting	-	-	
61	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Expenses																
1	Operating & Maintenance	11,041,052	3,476,427	5,870,206	-	96,039	498,313	147,181	22,477	39,787	87,904	95,559	53,445	37,011	15,120	467,811	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	9,895,757	-	9,895,757	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	42,846	-	42,846	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,217,231	716,560	1,150,190	-	36,256	148,206	43,858	7,408	13,112	26,434	28,660	16,950	11,427	5,426	12,743	-
	Expense Credits																
8	Sundry	(62,890)	(19,802)	(33,437)	-	(547)	(2,838)	(838)	(128)	(227)	(501)	(544)	(304)	(211)	(86)	(2,665)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(4,064)	(1,280)	(2,161)	-	(35)	(183)	(54)	(8)	(15)	(32)	(35)	(20)	(14)	(6)	(172)	-
12	Pole Attachments	(94,924)	-	-	-	-	(54,899)	(18,762)	-	-	(9,717)	(11,546)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(2,160)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,160)	-
16	Meter Test Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total Expense Credits**	(164,038)	(21,081)	(35,598)	-	(582)	(57,921)	(19,654)	(136)	(241)	(10,250)	(12,125)	(324)	(224)	(92)	(4,997)	-
18	**Subtotal Expenses**	23,032,848	4,171,905	16,923,402	-	131,713	588,599	171,384	29,749	52,658	104,087	112,094	70,071	48,213	20,454	475,557	-
19	Disposal Gain / Loss	2,000	597	942	-	55	188	55	11	20	34	36	28	14	8	12	-
20	**Subtotal Revenue Requirement Ex. Return**	23,034,848	4,172,502	16,924,344	-	131,768	588,787	171,440	29,760	52,678	104,121	112,131	70,099	48,227	20,462	475,569	-
21	Return on Debt	2,210,302	612,360	1,125,124	-	55,995	193,574	56,775	11,457	20,280	34,600	37,289	28,635	13,880	7,760	12,573	-
22	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Revenue Requirement**	25,245,150	4,784,862	18,049,467	-	187,763	782,361	228,215	41,217	72,958	138,721	149,419	98,734	62,107	28,222	488,142	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Expenses			
1	Operating & Maintenance	126,420	7,351	Carryforward from Sch.2.4 L.23
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.11
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(720)	(42)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
11	Suppliers' Discounts	(47)	(3)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.23
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	**Total Expense Credits**	**(767)**	**(45)**	
18	**Subtotal Expenses**	**125,654**	**7,306**	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	**Subtotal Revenue Requirement Ex. Return**	**125,654**	**7,306**	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	**Total Revenue Requirement**	**125,654**	**7,306**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	34,506,393	12,455,723	22,050,670	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**34,506,393**	**12,455,723**	**22,050,670**	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
6	Substation Structures & Equipment	2,697,031	1,687,488	-	-	1,009,543	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	158,598	-	-	-	-	119,575	15,233	-	-	13,869	9,920	-	-	-	-	-
8	Poles	7,160,883	-	-	-	-	4,141,482	1,415,363	-	-	733,045	870,993	-	-	-	-	-
9	Primary Conductor & Equipment	1,154,872	-	-	-	-	1,024,371	130,500	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	660,413	-	-	-	-	-	-	238,409	422,004	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	318,100	-	-	-	-	-	-	-	-	185,453	132,648	-	-	-	-	-
13	Services	566,877	-	-	-	-	-	-	-	-	-	-	566,877	-	-	-	-
14	Meters	295,388	-	-	-	-	-	-	-	-	-	-	-	295,388	-	-	-
15	Street Lighting	160,368	-	-	-	-	-	-	-	-	-	-	-	-	160,368	-	-
16	**Subtotal Distribution**	**13,172,530**	**1,687,488**	-	-	**1,009,543**	**5,285,428**	**1,561,097**	**238,409**	**422,004**	**932,367**	**1,013,561**	**566,877**	**295,388**	**160,368**	-	-
17	**Subttl Prod, Trans, & Dist**	**47,678,923**	**14,143,212**	**22,050,670**	-	**1,009,543**	**5,285,428**	**1,561,097**	**238,409**	**422,004**	**932,367**	**1,013,561**	**566,877**	**295,388**	**160,368**	-	-
18	General	6,017,258	1,935,188	3,298,919	-	42,915	224,679	66,361	10,135	17,939	39,634	43,086	24,097	18,130	6,817	289,360	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	73,743	21,875	34,105	-	1,561	8,175	2,414	369	653	1,442	1,568	877	457	248	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Plant**	**53,769,924**	**16,100,274**	**25,383,693**	-	**1,054,019**	**5,518,282**	**1,629,872**	**248,912**	**440,596**	**973,443**	**1,058,214**	**591,851**	**313,974**	**167,433**	**289,360**	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.7
2	**Subtotal Production**	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	**Subtotal Transmission**	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	**Subtotal Distribution**	
17	**Subttl Prod, Trans, & Dist**	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch 2.4 L.10, 11
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	**Total Plant**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	16,997,344	6,135,507	10,861,837	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**16,997,344**	**6,135,507**	**10,861,837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
6	Substation Structures & Equipment	1,561,128	841,982	-	-	719,145	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	105,161	-	-	-	-	79,286	10,101	-	-	9,196	6,578	-	-	-	-	-
8	Poles	3,241,293	-	-	-	-	1,874,595	640,648	-	-	331,805	394,245	-	-	-	-	-
9	Primary Conductor & Equipment	530,360	-	-	-	-	470,429	59,931	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	404,573	-	-	-	-	-	-	146,051	258,522	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	159,087	-	-	-	-	-	-	-	-	92,748	66,339	-	-	-	-	-
13	Services	366,018	-	-	-	-	-	-	-	-	-	-	366,018	-	-	-	-
14	Meters	173,449	-	-	-	-	-	-	-	-	-	-	-	173,449	-	-	-
15	Street Lighting	98,961	-	-	-	-	-	-	-	-	-	-	-	-	98,961	-	-
16	**Subtotal Distribution**	**6,640,030**	**841,982**	**-**	**-**	**719,145**	**2,424,311**	**710,679**	**146,051**	**258,522**	**433,749**	**467,162**	**366,018**	**173,449**	**98,961**	**-**	**-**
17	**Subttl Prod, Trans, & Dist**	**23,637,374**	**6,977,489**	**10,861,837**	**-**	**719,145**	**2,424,311**	**710,679**	**146,051**	**258,522**	**433,749**	**467,162**	**366,018**	**173,449**	**98,961**	**-**	**-**
18	General	3,470,153	1,116,023	1,902,486	-	24,749	129,572	38,270	5,845	10,345	22,857	24,847	13,897	10,455	3,931	166,874	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	51,313	15,147	23,579	-	1,561	5,263	1,543	317	561	942	1,014	795	377	215	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Net Book Value**	**27,158,840**	**8,108,659**	**12,787,903**	**-**	**745,456**	**2,559,146**	**750,492**	**152,213**	**269,429**	**457,547**	**493,024**	**380,709**	**184,281**	**103,107**	**166,874**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	5,520,879	1,992,864	3,528,015	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	420,490	151,784	268,706	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**5,941,369**	**2,144,647**	**3,796,721**	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
7	Other	629,997	82,558	-	-	49,390	258,582	76,375	11,664	20,646	45,615	49,587	27,734	-	7,846	-	-
8	Meters	20,865	-	-	-	-	-	-	-	-	-	-	-	20,865	-	-	-
9	**Subtotal Distribution**	**650,862**	**82,558**	-	-	**49,390**	**258,582**	**76,375**	**11,664**	**20,646**	**45,615**	**49,587**	**27,734**	**20,865**	**7,846**	-	-
10	**Subttl Prod, Trans, & Dist**	**6,592,231**	**2,227,205**	**3,796,721**	-	**49,390**	**258,582**	**76,375**	**11,664**	**20,646**	**45,615**	**49,587**	**27,734**	**20,865**	**7,846**	-	-
11	Customer Accounting	333,024	-	-	-	-	-	-	-	-	-	-	-	-	-	333,024	-
	Administrative & General:																
	Plant-Related:																
12	Production	439,474	158,636	280,838	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Distribution	233,242	29,880	-	-	17,876	93,587	27,642	4,221	7,472	16,509	17,947	10,038	5,230	2,840	-	-
15	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Prod, Trans, Distn and General Plt	359,416	107,620	169,673	-	7,045	36,886	10,895	1,664	2,945	6,507	7,073	3,956	2,099	1,119	1,934	-
17	Property Insurance	36,781	13,683	21,573	-	896	191	56	9	15	34	37	21	15	6	246	-
	Revenue Related:																
18	Municipal Tax	126,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	PUB Assessment	7,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	All Expense-Related	2,757,558	886,848	1,511,812	-	19,667	102,965	30,411	4,644	8,221	18,163	19,745	11,043	8,308	3,124	132,606	-
21	Prod, Trans, and Distn Expense-Related	155,554	52,555	89,590	-	1,165	6,102	1,802	275	487	1,076	1,170	654	492	185	-	-
22	**Subtotal Admin & General**	**4,115,798**	**1,249,221**	**2,073,485**	-	**46,649**	**239,731**	**70,807**	**10,814**	**19,141**	**42,289**	**45,972**	**25,712**	**16,145**	**7,274**	**134,787**	-
23	**Total Operating & Maintenance Expenses**	**11,041,052**	**3,476,427**	**5,870,206**	-	**96,039**	**498,313**	**147,181**	**22,477**	**39,787**	**87,904**	**95,559**	**53,445**	**37,011**	**15,120**	**467,811**	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	**Subtotal Production**	-	-	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
6	**Subtotal Transmission**	-	-	
	Distribution			
7	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
8	Meters	-	-	Meters - Customer
9	**Subtotal Distribution**	-	-	
10	**Subttl Prod, Trans, & Dist**	-	-	
11	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
12	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
13	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
14	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
15	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn and General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
17	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
18	Municipal Tax	126,420	-	Revenue-related
19	PUB Assessment	-	7,351	Revenue-related
20	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.10, 11
21	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.10
22	**Subtotal Admin & General**	**126,420**	**7,351**	
23	**Total Operating & Maintenance Expenses**	**126,420**	**7,351**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	1,522,012	549,398	972,614	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**1,522,012**	**549,398**	**972,614**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
6	Substn Struct & Eqpt	94,909	61,647	-	-	33,262	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	4,167	-	-	-	-	3,142	400	-	-	364	261	-	-	-	-	-
8	Poles	182,020	-	-	-	-	105,271	35,977	-	-	18,633	22,139	-	-	-	-	-
9	Primary Conductor & Equipment	28,697	-	-	-	-	25,454	3,243	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	18,664	-	-	-	-	-	-	6,738	11,926	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	8,400	-	-	-	-	-	-	-	-	4,897	3,503	-	-	-	-	-
13	Services	15,378	-	-	-	-	-	-	-	-	-	-	15,378	-	-	-	-
14	Meters	10,287	-	-	-	-	-	-	-	-	-	-	-	10,287	-	-	-
15	Street Lighting	4,962	-	-	-	-	-	-	-	-	-	-	-	-	4,962	-	-
16	**Subtotal Distribution**	**367,484**	**61,647**	**-**	**-**	**33,262**	**133,867**	**39,620**	**6,738**	**11,926**	**23,895**	**25,903**	**15,378**	**10,287**	**4,962**	**-**	**-**
17	**Subtotal Prod Tran & Dist**	**1,889,496**	**611,046**	**972,614**	**-**	**33,262**	**133,867**	**39,620**	**6,738**	**11,926**	**23,895**	**25,903**	**15,378**	**10,287**	**4,962**	**-**	**-**
18	General	264,998	85,225	145,283	-	1,890	9,895	2,923	446	790	1,745	1,897	1,061	798	300	12,743	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	62,737	20,288	32,294	-	1,104	4,445	1,315	224	396	793	860	511	342	165	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Depreciation Expense**	**2,217,231**	**716,560**	**1,150,190**	**-**	**36,256**	**148,206**	**43,858**	**7,408**	**13,112**	**26,434**	**28,660**	**16,950**	**11,427**	**5,426**	**12,743**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
1	Average Net Book Value	27,158,840	8,108,659	12,787,903	-	745,456	2,559,146	750,492	152,213	269,429	457,547	493,024	380,709	184,281	103,107	166,874	-
2	Cash Working Capital	61,032	18,222	28,737	-	1,675	5,751	1,687	342	605	1,028	1,108	856	414	232	375	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	2,275,511	-	2,275,511	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	542,686	162,496	256,191	-	10,638	55,695	16,450	2,512	4,447	9,825	10,680	5,973	3,169	1,690	2,920	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	1,515,952	452,609	713,795	-	41,610	142,846	41,891	8,496	15,039	25,539	27,520	21,250	10,286	5,755	9,315	-
8	Total Rate Base	**31,554,022**	**8,741,986**	**16,062,138**	**-**	**799,379**	**2,763,438**	**810,520**	**163,563**	**289,520**	**493,940**	**532,331**	**408,789**	**198,150**	**110,784**	**179,484**	**-**
9	Less: Rural Portion	(31,554,022)	(8,741,986)	(16,062,138)	-	(799,379)	(2,763,438)	(810,520)	(163,563)	(289,520)	(493,940)	(532,331)	(408,789)	(198,150)	(110,784)	(179,484)	-
10	Rate Base Available for Equity Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Return on Debt	2,210,302	612,360	1,125,124	-	55,995	193,574	56,775	11,457	20,280	34,600	37,289	28,635	13,880	7,760	12,573	-
12	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Return on Rate Base	**2,210,302**	**612,360**	**1,125,124**	**-**	**55,995**	**193,574**	**56,775**	**11,457**	**20,280**	**34,600**	**37,289**	**28,635**	**13,880**	**7,760**	**12,573**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6 Distribution Substations Demand	7 Primary Lines Demand	8 Primary Lines Customer	9 Line Transformers Demand	10 Line Transformers Customer	11 Secondary Lines Demand	12 Secondary Lines Customer	13 Services Customer	14 Meters Customer	15 Street Lighting Customer	16 Accounting Customer	17 Specifically Assigned Customer
			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wtd Rural Cust)		(Rural Cust)	(Rural Cust)	
	Amounts																
1	1.2 Domestic Diesel	-	4,951	23,104	4,951	4,796	4,796	2,035	4,562	2,035	4,562	2,035	2,035	2,035	-	2,035	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	579	3,740	579	561	561	397	534	397	534	397	794	794	-	397	-
5	2.2 GS 10-100 kW	-	1,735	10,389	1,735	1,681	1,681	126	1,598	126	1,598	126	1,017	1,017	-	126	-
6	2.3 GS 110-1,000 kVa	-	162	2,166	162	157	157	9	150	9	150	9	74	74	-	9	-
7	2.4 GS Over 1,000 kVa	-	47	2,569	47	46	46	1	43	1	43	1	9	9	-	1	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	87	361	87	84	84	92	80	92	80	92	-	-	92	92	-
11	4.1G Gov't Street and Area Lighting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	-	7,562	42,329	7,562	7,325	7,325	2,659	6,967	2,659	6,967	2,659	3,929	3,929	92	2,659	-
	Ratios																
13	1.2 Domestic Diesel	-	0.6548	0.5458	0.6548	0.6548	0.6548	0.7653	0.6548	0.7653	0.6548	0.7653	0.5180	0.5180	-	0.7653	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0766	0.0883	0.0766	0.0766	0.0766	0.1493	0.0766	0.1493	0.0766	0.1493	0.2021	0.2021	-	0.1493	-
17	2.2 GS 10-100 kW	-	0.2294	0.2454	0.2294	0.2294	0.2294	0.0474	0.2294	0.0474	0.2294	0.0474	0.2589	0.2589	-	0.0474	-
18	2.3 GS 110-1,000 kVa	-	0.0215	0.0512	0.0215	0.0215	0.0215	0.0033	0.0215	0.0033	0.0215	0.0033	0.0189	0.0189	-	0.0033	-
19	2.4 GS Over 1,000 kVa	-	0.0062	0.0607	0.0062	0.0062	0.0062	0.0004	0.0062	0.0004	0.0062	0.0004	0.0022	0.0022	-	0.0004	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0115	0.0085	0.0115	0.0115	0.0115	0.0344	0.0115	0.0344	0.0115	0.0344	-	-	1.0000	0.0344	-
23	4.1G Gov't Street and Area Lighting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total**	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax (Prior Year (Rural Revenues)	19 Revenue Related PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	1.2 Domestic Diesel	2,270,274	2,270,274
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	750,337	750,337
5	2.2 GS 10-100 kW	1,735,564	1,735,564
6	2.3 GS 110-1,000 kVa	171,134	171,134
7	2.4 GS Over 1,000 kVa	193,805	193,805
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	90,151	90,151
11	4.1G Gov't Street and Area Lighting	-	-
12	**Total**	**5,211,265**	**5,211,265**
	Ratios		
13	1.2 Domestic Diesel	0.4356	0.4356
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1440	0.1440
17	2.2 GS 10-100 kW	0.3330	0.3330
18	2.3 GS 110-1,000 kVa	0.0328	0.0328
19	2.4 GS Over 1,000 kVa	0.0372	0.0372
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0173	0.0173
23	4.1G Gov't Street and Area Lighting	-	-
24	**Total**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
						Distribution											
	Allocated Revenue Requirement Excluding Return																
1	1.2 Domestic Diesel	13,269,853	2,732,122	9,237,776	-	86,281	385,533	131,199	19,487	40,313	68,178	85,811	36,309	24,980	-	363,942	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	2,044,584	319,691	1,495,169	-	10,096	45,112	25,595	2,280	7,865	7,978	16,741	14,167	9,746	-	71,000	-
5	2.2 GS 10-100 kW	5,420,644	957,304	4,153,928	-	30,232	135,086	8,123	6,828	2,496	23,889	5,313	18,145	12,484	-	22,534	-
6	2.3 GS 110-1,000 kVa	983,456	89,655	866,193	-	2,831	12,651	559	639	172	2,237	365	1,325	912	-	1,550	-
7	2.4 GS Over 1,000 kVa	1,063,824	25,953	1,027,049	-	820	3,662	64	185	20	648	42	153	105	-	179	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	252,487	47,777	144,230	-	1,509	6,742	5,899	341	1,813	1,192	3,858	-	-	20,462	16,364	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	**23,034,848**	**4,172,502**	**16,924,344**	**-**	**131,768**	**588,787**	**171,440**	**29,760**	**52,678**	**104,121**	**112,131**	**70,099**	**48,227**	**20,462**	**475,569**	**-**
	Allocated Return on Debt																
13	1.2 Domestic Diesel	1,327,814	400,969	614,124	-	36,665	126,751	43,449	7,502	15,520	22,656	28,536	14,832	7,189	-	9,621	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	196,507	46,918	99,398	-	4,290	14,831	8,476	878	3,028	2,651	5,567	5,787	2,805	-	1,877	-
17	2.2 GS 10-100 kW	501,491	140,495	276,151	-	12,847	44,412	2,690	2,629	961	7,938	1,767	7,412	3,593	-	596	-
18	2.3 GS 110-1,000 kVa	78,312	13,158	57,584	-	1,203	4,159	185	246	66	743	122	541	262	-	41	-
19	2.4 GS Over 1,000 kVa	74,066	3,809	68,278	-	348	1,204	21	71	8	215	14	62	30	-	5	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	32,112	7,012	9,588	-	641	2,216	1,954	131	698	396	1,283	-	-	7,760	433	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total**	**2,210,302**	**612,360**	**1,125,124**	**-**	**55,995**	**193,574**	**56,775**	**11,457**	**20,280**	**34,600**	**37,289**	**28,635**	**13,880**	**7,760**	**12,573**	**-**
	Allocated Return on Equity																
25	All Classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Allocated Revenue Requirement Excluding Return			
1	1.2 Domestic Diesel	54,741	3,183	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	18,092	1,052	
5	2.2 GS 10-100 kW	41,848	2,433	
6	2.3 GS 110-1,000 kVa	4,126	240	
7	2.4 GS Over 1,000 kVa	4,673	272	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	2,174	126	
11	4.1G Gov't Street and Area Lighting	-	-	
12	**Total**	**125,654**	**7,306**	
	Allocated Return on Debt			
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	**Total**	**-**	**-**	
	Allocated Return on Equity			
25	All Classes	-	-	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Total Revenue Requirement																
26	1.2 Domestic Diesel	14,597,667	3,133,090	9,851,899	-	122,946	512,284	174,648	26,989	55,833	90,833	114,347	51,140	32,169	-	373,564	-
27	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	2.1 GS 0-10 kW	2,241,091	366,609	1,594,568	-	14,386	59,943	34,071	3,158	10,892	10,629	22,308	19,954	12,551	-	72,877	-
30	2.2 GS 10-100 kW	5,922,135	1,097,799	4,430,079	-	43,079	179,498	10,814	9,457	3,457	31,827	7,080	25,558	16,077	-	23,130	-
31	2.3 GS 110-1,000 kVa	1,061,768	102,813	923,777	-	4,034	16,811	744	886	238	2,981	487	1,867	1,174	-	1,591	-
32	2.4 GS Over 1,000 kVa	1,137,890	29,762	1,095,326	-	1,168	4,866	86	256	27	863	56	215	135	-	184	-
33	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	4.1 Street and Area Lighting	284,599	54,788	153,818	-	2,150	8,958	7,853	472	2,510	1,588	5,141	-	-	28,222	16,797	-
36	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	**Total**	**25,245,150**	**4,784,862**	**18,049,467**	**-**	**187,763**	**782,361**	**228,215**	**41,217**	**72,958**	**138,721**	**149,419**	**98,734**	**62,107**	**28,222**	**488,142**	**-**
	Re-classification of Revenue-Related																
38	1.2 Domestic Diesel	0	12,482	39,248	-	490	2,041	696	108	222	362	456	204	128	-	1,488	-
39	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	2.1 GS 0-10 kW	(0)	3,159	13,739	-	124	516	294	27	94	92	192	172	108	-	628	-
42	2.2 GS 10-100 kW	-	8,270	33,374	-	325	1,352	81	71	26	240	53	193	121	-	174	-
43	2.3 GS 110-1,000 kVa	(0)	425	3,815	-	17	69	3	4	1	12	2	8	5	-	7	-
44	2.4 GS Over 1,000 kVa	0	130	4,781	-	5	21	0	1	0	4	0	1	1	-	1	-
45	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	4.1 Street and Area Lighting	-	446	1,253	-	18	73	64	4	20	13	42	-	-	230	137	-
48	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	**Total**	**0**	**24,912**	**96,210**	**-**	**978**	**4,073**	**1,138**	**215**	**364**	**722**	**745**	**577**	**363**	**230**	**2,435**	**-**
	Total Allocated Revenue Requirement																
50	1.2 Domestic Diesel	14,597,667	3,145,572	9,891,147	-	123,436	514,325	175,344	27,096	56,056	91,195	114,803	51,344	32,297	-	375,052	-
51	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	2.1 GS 0-10 kW	2,241,091	369,768	1,608,306	-	14,510	60,460	34,365	3,185	10,986	10,720	22,500	20,125	12,660	-	73,505	-
54	2.2 GS 10-100 kW	5,922,135	1,106,069	4,463,453	-	43,403	180,851	10,895	9,528	3,483	32,067	7,133	25,750	16,198	-	23,304	-
55	2.3 GS 110-1,000 kVa	1,061,768	103,238	927,591	-	4,051	16,880	747	889	239	2,993	489	1,875	1,179	-	1,598	-
56	2.4 GS Over 1,000 kVa	1,137,890	29,892	1,100,107	-	1,173	4,887	86	257	28	867	56	216	136	-	184	-
57	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	4.1 Street and Area Lighting	284,599	55,235	155,072	-	2,167	9,031	7,917	476	2,531	1,601	5,183	-	-	28,452	16,933	-
60	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	**Total**	**25,245,150**	**4,809,774**	**18,145,677**	**-**	**188,741**	**786,434**	**229,353**	**41,432**	**73,322**	**139,443**	**150,165**	**99,311**	**62,470**	**28,452**	**490,576**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Total Revenue Requirement			
26	1.2 Domestic Diesel	54,741	3,183	
27	1.2G Government Domestic Diesel	-	-	
28	1.23 Churches, Schools & Com Halls	-	-	
29	2.1 GS 0-10 kW	18,092	1,052	
30	2.2 GS 10-100 kW	41,848	2,433	
31	2.3 GS 110-1,000 kVa	4,126	240	
32	2.4 GS Over 1,000 kVa	4,673	272	
33	2.5 GS Diesel	-	-	
34	2.5G Gov't General Service Diesel	-	-	
35	4.1 Street and Area Lighting	2,174	126	
36	4.1G Gov't Street and Area Lighting	-	-	
37	**Total**	**125,654**	**7,306**	
	Re-classification of Revenue-Related			
38	1.2 Domestic Diesel	(54,741)	(3,183)	Re-classification to demand, energy and customer is based on rate class revenue
39	1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.
40	1.23 Churches, Schools & Com Halls	-	-	
41	2.1 GS 0-10 kW	(18,092)	(1,052)	
42	2.2 GS 10-100 kW	(41,848)	(2,433)	
43	2.3 GS 110-1,000 kVa	(4,126)	(240)	
44	2.4 GS Over 1,000 kVa	(4,673)	(272)	
45	2.5 GS Diesel	-	-	
46	2.5G Gov't General Service Diesel	-	-	
47	4.1 Street and Area Lighting	(2,174)	(126)	
48	4.1G Gov't Street and Area Lighting	-	-	
49	**Total**	**(125,654)**	**(7,306)**	
	Total Allocated Revenue Requirement			
50	1.2 Domestic Diesel	-	-	
51	1.2G Government Domestic Diesel	-	-	
52	1.23 Churches, Schools & Com Halls	-	-	
53	2.1 GS 0-10 kW	-	-	
54	2.2 GS 10-100 kW	-	-	
55	2.3 GS 110-1,000 kVa	-	-	
56	2.4 GS Over 1,000 kVa	-	-	
57	2.5 GS Diesel	-	-	
58	2.5G Gov't General Service Diesel	-	-	
59	4.1 Street and Area Lighting	-	-	
60	4.1G Gov't Street and Area Lighting	-	-	
61	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Distribution Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Expenses																
1	Operating & Maintenance	1,234,658	587,890	-	-	1,424	271,640	81,611	8,074	14,292	46,272	51,452	13,022	12,504	3,390	100,430	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	157,842	-	157,842	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)^o	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	1,478,316	-	1,478.316	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	445,219	179,393	-	-	80	141,168	43,306	4,586	8,118	24,423	27,357	5,374	4,743	1,804	4,868	-
	Expense Credits																
8	Sundry	(7,033)	(3,349)	-	-	(8)	(1,547)	(465)	(46)	(81)	(264)	(293)	(74)	(71)	(19)	(572)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(454)	(216)	-	-	(1)	(100)	(30)	(3)	(5)	(17)	(19)	(5)	(5)	(1)	(37)	-
12	Pole Attachments	(63,425)	-	-	-	-	(36,682)	(12,536)	-	-	(6,493)	(7,715)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(528)	-	-	-	-	-	-	-	-	-	-	-	-	-	(528)	-
16	Meter Test Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total Expense Credits**	(71,440)	(3,565)	-	-	(9)	(38,329)	(13,031)	(49)	(87)	(6,773)	(8,027)	(79)	(76)	(21)	(1,137)	-
18	**Subtotal Expenses**	3,244,595	763,718	1,636,158	-	1,495	374,480	111,886	12,611	22,323	63,922	70,783	18,317	17,171	5,173	104,160	-
19	Disposal Gain / Loss	10,000	2,866	-	-	4	3,908	1,183	110	195	625	714	169	117	45	62	-
20	**Subtotal Revenue Requirement Ex. Return**	3,254,595	766,584	1,636,158	-	1,499	378,388	113,069	12,722	22,518	64,547	71,498	18,486	17,289	5,218	104,222	-
21	Return on Debt	471,414	135,345	1,697	-	210	183,121	55,424	5,177	9,164	29,310	33,498	7,930	5,492	2,106	2,941	-
22	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Revenue Requirement**	3,726,009	901,928	1,637,855	-	1,710	561,509	168,493	17,899	31,682	93,857	104,995	26,415	22,781	7,324	107,163	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	20 Basis of Functional Classification
	Expenses			
1	Operating & Maintenance	40,313	2,344	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.12
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(230)	(13)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(15)	(1)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	**Total Expense Credits**	(244)	(14)	
18	**Subtotal Expenses**	40,069	2,330	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	**Subtotal Revenue Requirement Ex. Return**	40,069	2,330	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	**Total Revenue Requirement**	40,069	2,330	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	4,295,532	4,295,532	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**4,295,532**	**4,295,532**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
6	Substation Structures & Equipment	86,194	63,690	-	-	22,504	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	38,776	-	-	-	-	29,235	3,724	-	-	3,391	2,425	-	-	-	-	-
8	Poles	6,155,827	-	-	-	-	3,560,210	1,216,712	-	-	630,160	748,746	-	-	-	-	-
9	Primary Conductor & Equipment	925,407	-	-	-	-	820,836	104,571	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	363,130	-	-	-	-	-	-	131,090	232,040	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	201,911	-	-	-	-	-	-	-	-	117,714	84,197	-	-	-	-	-
13	Services	211,417	-	-	-	-	-	-	-	-	-	-	211,417	-	-	-	-
14	Meters	116,304	-	-	-	-	-	-	-	-	-	-	-	116,304	-	-	-
15	Street Lighting	55,037	-	-	-	-	-	-	-	-	-	-	-	-	55,037	-	-
16	**Subtotal Distribution**	**8,154,004**	**63,690**	**-**	**-**	**22,504**	**4,410,282**	**1,325,007**	**131,090**	**232,040**	**751,265**	**835,368**	**211,417**	**116,304**	**55,037**	**-**	**-**
17	**Subttl Prod, Trans, & Dist**	**12,449,536**	**4,359,222**	**-**	**-**	**22,504**	**4,410,282**	**1,325,007**	**131,090**	**232,040**	**751,265**	**835,368**	**211,417**	**116,304**	**55,037**	**-**	**-**
18	General	1,139,913	548,667	-	-	1,323	259,340	77,915	7,709	13,645	44,177	49,122	12,432	12,580	3,236	109,768	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	19,255	6,742	-	-	35	6,821	2,049	203	359	1,162	1,292	327	180	85	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Plant**	**13,608,705**	**4,914,631**	**-**	**-**	**23,862**	**4,676,442**	**1,404,971**	**139,001**	**246,044**	**796,604**	**885,782**	**224,176**	**129,064**	**58,359**	**109,768**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.8
2	**Subtotal Production**	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	**Subtotal Transmission**	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	**Subtotal Distribution**	
17	**Subttl Prod, Trans, & Dist**	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	**Total Plant**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	1,565,695	1,565,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**1,565,695**	**1,565,695**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
6	Substation Structures & Equipment	19,160	17,018	-	-	2,142	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	25,069	-	-	-	-	18,901	2,408	-	-	2,192	1,568	-	-	-	-	-
8	Poles	3,296,245	-	-	-	-	1,906,377	651,509	-	-	337,430	400,929	-	-	-	-	-
9	Primary Conductor & Equipment	456,077	-	-	-	-	404,540	51,537	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	181,908	-	-	-	-	-	-	65,669	116,239	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	54,698	-	-	-	-	-	-	-	-	31,889	22,809	-	-	-	-	-
13	Services	100,262	-	-	-	-	-	-	-	-	-	-	100,262	-	-	-	-
14	Meters	68,293	-	-	-	-	-	-	-	-	-	-	-	68,293	-	-	-
15	Street Lighting	26,658	-	-	-	-	-	-	-	-	-	-	-	-	26,658	-	-
16	**Subtotal Distribution**	**4,228,369**	**17,018**	**-**	**-**	**2,142**	**2,329,818**	**705,454**	**65,669**	**116,239**	**371,511**	**425,306**	**100,262**	**68,293**	**26,658**	**-**	**-**
17	**Subttl Prod, Trans, & Dist**	**5,794,064**	**1,582,713**	**-**	**-**	**2,142**	**2,329,818**	**705,454**	**65,669**	**116,239**	**371,511**	**425,306**	**100,262**	**68,293**	**26,658**	**-**	**-**
18	General	401,186	193,100	-	-	466	91,273	27,422	2,713	4,802	15,548	17,288	4,375	4,427	1,139	38,632	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	12,578	3,436	-	-	5	5,058	1,531	143	252	806	923	218	148	58	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Net Book Value**	**6,207,827**	**1,779,249**	**-**	**-**	**2,612**	**2,426,148**	**734,407**	**68,524**	**121,293**	**387,865**	**443,518**	**104,855**	**72,869**	**27,855**	**38,632**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	300,212	300,212	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	55,653	55,653	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**355,865**	**355,865**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Subtotal Transmission**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Distribution																
8	Other	308,664	2,446	-	-	864	169,364	50,883	5,034	8,911	28,850	32,080	8,119	-	2,114	-	-
9	Meters	8,215	-	-	-	-	-	-	-	-	-	-	-	8,215	-	-	-
10	**Subtotal Distribution**	**316,879**	**2,446**	**-**	**-**	**864**	**169,364**	**50,883**	**5,034**	**8,911**	**28,850**	**32,080**	**8,119**	**8,215**	**2,114**	**-**	**-**
11	**Subttl Prod, Trans, & Dist**	**672,744**	**358,311**	**-**	**-**	**864**	**169,364**	**50,883**	**5,034**	**8,911**	**28,850**	**32,080**	**8,119**	**8,215**	**2,114**	**-**	**-**
12	Customer Accounting	71,685	-	-	-	-	-	-	-	-	-	-	-	-	-	71,685	-
	Administrative & General:																
	Plant-Related:																
13	Production	69,045	69,045	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	54,981	429	-	-	152	29,738	8,934	884	1,565	5,066	5,633	1,426	784	371	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod,Trans, Distn & General Plt	1,940	701	-	-	3	667	200	20	35	114	126	32	18	8	16	-
18	Property Insurance	9,309	8,274	-	-	40	437	131	13	23	74	83	21	21	5	185	-
	Revenue Related:																
19	Municipal Tax	40,313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	2,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	296,423	142,675	-	-	344	67,439	20,261	2,005	3,548	11,488	12,774	3,233	3,271	842	28,544	-
22	Prod, Trans, and Distn Expense-Related	15,874	8,455	-	-	20	3,996	1,201	119	210	681	757	192	194	50	-	-
23	**Subtotal Admin & General**	**490,230**	**229,579**	**-**	**-**	**560**	**102,277**	**30,728**	**3,040**	**5,381**	**17,422**	**19,373**	**4,903**	**4,289**	**1,276**	**28,745**	**-**
24	**Total Operating & Maintenance Expenses**	**1,234,658**	**587,890**	**-**	**-**	**1,424**	**271,640**	**81,611**	**8,074**	**14,292**	**46,272**	**51,452**	**13,022**	**12,504**	**3,390**	**100,430**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	**Subtotal Production**	-	-	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	**Subtotal Transmission**	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	**Subtotal Distribution**	-	-	
11	**Subttl Prod, Trans, & Dist**	-	-	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod,Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	40,313	-	Revenue-related
20	PUB Assessment	-	2,344	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	**Subtotal Admin & General**	**40,313**	**2,344**	
24	**Total Operating & Maintenance Expenses**	**40,313**	**2,344**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Diesel	149,013	149,013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Subtotal Production**	**149,013**	**149,013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Subtotal Transmission**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Distribution																
6	Substation Structures & Equipment	1,087	1,067	-	-	20	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	729	-	-	-	-	550	70	-	-	64	46	-	-	-	-	-
8	Poles	182,153	-	-	-	-	105,348	36,003	-	-	18,647	22,156	-	-	-	-	-
9	Primary Conductor & Equipment	22,101	-	-	-	-	19,604	2,497	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	11,379	-	-	-	-	-	-	4,108	7,271	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	5,200	-	-	-	-	-	-	-	-	3,032	2,169	-	-	-	-	-
13	Services	4,668	-	-	-	-	-	-	-	-	-	-	4,668	-	-	-	-
14	Meters	4,050	-	-	-	-	-	-	-	-	-	-	-	4,050	-	-	-
15	Street Lighting	1,607	-	-	-	-	-	-	-	-	-	-	-	-	1,607	-	-
16	**Subtotal Distribution**	**232,975**	**1,067**	**-**	**-**	**20**	**125,501**	**38,570**	**4,108**	**7,271**	**21,742**	**24,370**	**4,668**	**4,050**	**1,607**	**-**	**-**
17	**Subtotal Prod Tran & Dist**	**381,987**	**150,080**	**-**	**-**	**20**	**125,501**	**38,570**	**4,108**	**7,271**	**21,742**	**24,370**	**4,668**	**4,050**	**1,607**	**-**	**-**
18	General	50,549	24,330	-	-	59	11,500	3,455	342	605	1,959	2,178	551	558	144	4,868	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	12,683	4,983	-	-	1	4,167	1,281	136	241	722	809	155	134	53	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	**Total Depreciation Expense**	**445,219**	**179,393**	**-**	**-**	**80**	**141,168**	**43,306**	**4,586**	**8,118**	**24,423**	**27,357**	**5,374**	**4,743**	**1,804**	**4,868**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lightin Customer ($)	16 Distribution Accounting Customer ($)	17 Specifically Assigned Customer ($)
1	Average Net Book Value	6,207,827	1,779,249	-	-	2,612	2,426,148	734,407	68,524	121,293	387,865	443,518	104,855	72,869	27,855	38,632	-
2	Cash Working Capital	13,950	3,998	-	-	6	5,452	1,650	154	273	872	997	236	164	63	87	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	24,221	-	24,221	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	137,349	49,602	-	-	241	47,198	14,180	1,403	2,483	8,040	8,940	2,263	1,303	589	1,108	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	346,509	99,314	-	-	146	135,423	40,993	3,825	6,770	21,650	24,756	5,853	4,067	1,555	2,156	-
8	Total Rate Base	**6,729,857**	**1,932,163**	**24,221**	**-**	**3,005**	**2,614,221**	**791,231**	**73,906**	**130,820**	**418,427**	**478,210**	**113,206**	**78,402**	**30,061**	**41,983**	**-**
9	Less: Rural Portion	(6,729,857)	(1,932,163)	(24,221)	-	(3,005)	(2,614,221)	(791,231)	(73,906)	(130,820)	(418,427)	(478,210)	(113,206)	(78,402)	(30,061)	(41,983)	-
10	Rate Base Available for Equity Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Return on Debt	471,414	135,345	1,697	-	210	183,121	55,424	5,177	9,164	29,310	33,498	7,930	5,492	2,106	2,941	-
12	Return on Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Return on Rate Base	**471,414**	**135,345**	**1,697**	**-**	**210**	**183,121**	**55,424**	**5,177**	**9,164**	**29,310**	**33,498**	**7,930**	**5,492**	**2,106**	**2,941**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Distribution Substations Demand (CP kW)	7 Primary Lines Demand (CP kW)	8 Primary Lines Customer (Rural Cust)	9 Line Transformers Demand (CP kW)	10 Line Transformers Customer (Rural Cust)	11 Secondary Lines Demand (CP kW)	12 Secondary Lines Customer (Rural Cust)	13 Services Customer (Wtd Rural Cust)	14 Meters Customer (Wtd Rural Cust)	15 Street Lightin Customer (Wtd Rural Cust)	16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
	Amounts																
1	1.1 Domestic Diesel	-	1,369	6,146	1,369	1,296	1,296	630	1,188	630	1,188	630	630	630	-	630	-
2	1.12 Domestic All Electric	-	1,181	3,815	1,181	1,118	1,118	141	1,024	141	1,024	141	141	141	-	141	-
3	2.1 GS 0-10 kW	-	237	1,190	237	225	225	137	206	137	206	137	274	274	-	137	-
4	2.2 GS 10-100 kW	-	811	4,172	811	768	768	58	703	58	703	58	468	468	-	58	-
5	2.3 GS 110-1,000 kVa	-	112	1,441	112	106	106	4	97	4	97	4	34	34	-	4	-
6	4.1 Street and Area Lighting	-	30	119	30	28	28	27	26	27	26	27	-	-	1	27	-
7	**Total**	**-**	**3,740**	**16,884**	**3,740**	**3,540**	**3,540**	**997**	**3,244**	**997**	**3,244**	**997**	**1,547**	**1,547**	**1**	**997**	**0**
	Ratios																
8	1.1 Domestic Diesel	-	0.3661	0.3640	0.3661	0.3661	0.3661	0.6322	0.3661	0.6322	0.3661	0.6322	0.4073	0.4073	-	0.6322	-
9	1.12 Domestic All Electric	-	0.3157	0.2259	0.3157	0.3157	0.3157	0.1410	0.3157	0.1410	0.3157	0.1410	0.0908	0.0908	-	0.1410	-
10	2.1 GS 0-10 kW	-	0.0634	0.0705	0.0634	0.0634	0.0634	0.1375	0.0634	0.1375	0.0634	0.1375	0.1771	0.1771	-	0.1375	-
11	2.2 GS 10-100 kW	-	0.2168	0.2471	0.2168	0.2168	0.2168	0.0582	0.2168	0.0582	0.2168	0.0582	0.3026	0.3026	-	0.0582	-
12	2.3 GS 110-1,000 kVa	-	0.0299	0.0854	0.0299	0.0299	0.0299	0.0040	0.0299	0.0040	0.0299	0.0040	0.0222	0.0222	-	0.0040	-
13	4.1 Street and Area Lighting	-	0.0080	0.0071	0.0080	0.0080	0.0080	0.0271	0.0080	0.0271	0.0080	0.0271	-	-	1.0000	0.0271	-
14	**Total**	**-**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**0.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax (Prior Year (Rural Revenues)	19 Revenue Related PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	1.1 Domestic Diesel	573,622	573,622
2	1.12 Domestic All Electric	352,607	352,607
3	2.1 GS 0-10 kW	150,536	150,536
4	2.2 GS 10-100 kW	414,091	414,091
5	2.3 GS 110-1,000 kVa	136,478	136,478
6	4.1 Street and Area Lighting	34,442	34,442
7	**Total**	**1,661,776**	**1,661,776**
	Ratios		
8	1.1 Domestic Diesel	0.3452	0.3452
9	1.12 Domestic All Electric	0.2122	0.2122
10	2.1 GS 0-10 kW	0.0906	0.0906
11	2.2 GS 10-100 kW	0.2492	0.2492
12	2.3 GS 110-1,000 kVa	0.0821	0.0821
13	4.1 Street and Area Lighting	0.0207	0.0207
14	**Total**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmsn Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
						Distribution											
	Allocated Revenue Requirement Excluding Return																
1	1.1 Domestic Diesel	1,269,667	280,659	595,619	-	549	138,534	71,483	4,658	14,236	23,632	45,202	7,528	7,041	-	65,891	-
2	1.12 Domestic All Electric	812,167	242,036	369,654	-	473	119,470	15,942	4,017	3,175	20,380	10,081	1,679	1,570	-	14,695	-
3	2.1 GS 0-10 kW	245,915	48,636	115,299	-	95	24,007	15,545	807	3,096	4,095	9,830	3,274	3,062	-	14,329	-
4	2.2 GS 10-100 kW	709,192	166,221	404,334	-	325	82,047	6,581	2,758	1,311	13,996	4,161	5,594	5,232	-	6,066	-
5	2.3 GS 110-1,000 kVa	181,744	22,888	139,683	-	45	11,297	454	380	90	1,927	287	410	383	-	418	-
6	4.1 Street and Area Lighting	35,909	6,144	11,569	-	12	3,033	3,064	102	610	517	1,937	-	-	5,218	2,824	-
7	**Total**	**3,254,595**	**766,584**	**1,636,158**	**-**	**1,499**	**378,388**	**113,069**	**12,722**	**22,518**	**64,547**	**71,498**	**18,486**	**17,289**	**5,218**	**104,222**	**-**
	Allocated Return on Debt																
8	1.1 Domestic Diesel	199,253	49,552	618	-	77	67,044	35,040	1,895	5,793	10,731	21,178	3,230	2,237	-	1,859	-
9	1.12 Domestic All Electric	127,352	42,733	383	-	66	57,818	7,814	1,635	1,292	9,254	4,723	720	499	-	415	-
10	2.1 GS 0-10 kW	38,793	8,587	120	-	13	11,618	7,620	328	1,260	1,860	4,605	1,405	973	-	404	-
11	2.2 GS 10-100 kW	86,939	29,347	419	-	46	39,707	3,226	1,123	533	6,355	1,950	2,400	1,662	-	171	-
12	2.3 GS 110-1,000 kVa	11,392	4,041	145	-	6	5,467	222	155	37	875	134	176	122	-	12	-
13	4.1 Street and Area Lighting	7,686	1,085	12	-	2	1,468	1,502	41	248	235	908	-	-	2,106	80	-
14	**Total**	**471,414**	**135,345**	**1,697**	**-**	**210**	**183,121**	**55,424**	**5,177**	**9,164**	**29,310**	**33,498**	**7,930**	**5,492**	**2,106**	**2,941**	**-**
	Allocated Return on Equity																
15	All Classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Allocated Revenue Requirement Excluding Return			
1	1.1 Domestic Diesel	13,831	804	
2	1.12 Domestic All Electric	8,502	494	
3	2.1 GS 0-10 kW	3,630	211	
4	2.2 GS 10-100 kW	9,985	581	
5	2.3 GS 110-1,000 kVa	3,291	191	
6	4.1 Street and Area Lighting	830	48	
7	**Total**	**40,069**	**2,330**	
	Allocated Return on Debt			
8	1.1 Domestic Diesel	-	-	
9	1.12 Domestic All Electric	-	-	
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	-	-	
12	2.3 GS 110-1,000 kVa	-	-	
13	4.1 Street and Area Lighting	-	-	
14	**Total**	**-**	**-**	
	Allocated Return on Equity			
15	All Classes	-	-	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmsn Demand ($)	6 Substations Demand ($)	7 Primary Lines Demand ($)	8 Primary Lines Customer ($)	9 Line Transformers Demand ($)	10 Line Transformers Customer ($)	11 Secondary Lines Demand ($)	12 Secondary Lines Customer ($)	13 Services Customer ($)	14 Meters Customer ($)	15 Street Lightin Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
							Distribution										
	Total Revenue Requirement																
16	1.1 Domestic Diesel	1,468,920	330,211	596,237	-	626	205,578	106,523	6,553	20,030	34,363	66,379	10,758	9,278	-	67,750	-
17	1.12 Domestic All Electric	939,519	284,769	370,037	-	540	177,287	23,756	5,651	4,467	29,634	14,804	2,399	2,069	-	15,109	-
18	2.1 GS 0-10 kW	284,708	57,223	115,418	-	108	35,625	23,165	1,136	4,356	5,955	14,435	4,679	4,035	-	14,733	-
19	2.2 GS 10-100 kW	796,131	195,568	404,753	-	371	121,754	9,807	3,881	1,844	20,351	6,111	7,994	6,894	-	6,237	-
20	2.3 GS 110-1,000 kVa	193,136	26,929	139,828	-	51	16,765	676	534	127	2,802	421	585	505	-	430	-
21	4.1 Street and Area Lighting	43,594	7,229	11,581	-	14	4,500	4,565	143	858	752	2,845	-	-	7,324	2,904	-
22	**Total**	**3,726,009**	**901,928**	**1,637,855**	**-**	**1,710**	**561,509**	**168,493**	**17,899**	**31,682**	**93,857**	**104,995**	**26,415**	**22,781**	**7,324**	**107,163**	**-**
	Re-classification of Revenue-Related																
23	1.1 Domestic Diesel	(0)	3,323	6,000	-	6	2,069	1,072	66	202	346	668	108	93	-	682	-
24	1.12 Domestic All Electric	(0)	2,753	3,578	-	5	1,714	230	55	43	287	143	23	20	-	146	-
25	2.1 GS 0-10 kW	-	783	1,578	-	1	487	317	16	60	81	197	64	55	-	201	-
26	2.2 GS 10-100 kW	-	2,630	5,444	-	5	1,637	132	52	25	274	82	108	93	-	84	-
27	2.3 GS 110-1,000 kVa	(0)	494	2,567	-	1	308	12	10	2	51	8	11	9	-	8	-
28	4.1 Street and Area Lighting	(0)	149	238	-	0	93	94	3	18	15	59	-	-	151	60	-
29	**Total**	**(0)**	**10,132**	**19,405**	**-**	**19**	**6,308**	**1,857**	**201**	**349**	**1,054**	**1,157**	**314**	**271**	**151**	**1,181**	**-**
	Total Allocated Revenue Requirement																
30	1.1 Domestic Diesel	1,468,920	333,534	602,237	-	632	207,647	107,595	6,619	20,231	34,708	67,047	10,866	9,371	-	68,432	-
31	1.12 Domestic All Electric	939,519	287,522	373,615	-	545	179,001	23,986	5,706	4,510	29,920	14,947	2,422	2,089	-	15,255	-
32	2.1 GS 0-10 kW	284,708	58,006	116,997	-	110	36,112	23,481	1,151	4,415	6,036	14,632	4,743	4,090	-	14,934	-
33	2.2 GS 10-100 kW	796,131	198,199	410,197	-	376	123,392	9,939	3,933	1,869	20,625	6,193	8,102	6,987	-	6,321	-
34	2.3 GS 110-1,000 kVa	193,136	27,423	142,395	-	52	17,073	689	544	130	2,854	429	596	514	-	438	-
35	4.1 Street and Area Lighting	43,594	7,377	11,820	-	14	4,593	4,659	146	876	768	2,903	-	-	7,474	2,963	-
36	**Total**	**3,726,009**	**912,060**	**1,657,260**	**-**	**1,729**	**567,817**	**170,350**	**18,100**	**32,031**	**94,911**	**106,152**	**26,729**	**23,051**	**7,474**	**108,344**	**-**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Total Revenue Requirement			
16	1.1 Domestic Diesel	13,831	804	
17	1.12 Domestic All Electric	8,502	494	
18	2.1 GS 0-10 kW	3,630	211	
19	2.2 GS 10-100 kW	9,985	581	
20	2.3 GS 110-1,000 kVa	3,291	191	
21	4.1 Street and Area Lighting	830	48	
22	**Total**	**40,069**	**2,330**	
	Re-classification of Revenue-Related			
23	1.1 Domestic Diesel	(13,831)	(804)	Re-classification to demand, energy and customer is based on rate class revenue
24	1.12 Domestic All Electric	(8,502)	(494)	requirements excluding revenue-related items.
25	2.1 GS 0-10 kW	(3,630)	(211)	
26	2.2 GS 10-100 kW	(9,985)	(581)	
27	2.3 GS 110-1,000 kVa	(3,291)	(191)	
28	4.1 Street and Area Lighting	(830)	(48)	
29	**Total**	**(40,069)**	**(2,330)**	
	Total Allocated Revenue Requirement			
30	1.1 Domestic Diesel	-	-	
31	1.12 Domestic All Electric	-	-	
32	2.1 GS 0-10 kW	-	-	
33	2.2 GS 10-100 kW	-	-	
34	2.3 GS 110-1,000 kVa	-	-	
35	4.1 Street and Area Lighting	-	-	
36	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Expenses																
1	Operating & Maintenance	4,959,994	757,360	-	589,201	414,799	740,442	198,306	107,785	190,789	122,876	130,113	105,087	124,568	32,483	1,123,544	175
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	23,676	23,676	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	133,569	133,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	2,537,795	1,012,531	1,525,264	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	555,403	-	-	-	555,403	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,943,082	1,046,676	-	810,390	150,228	346,617	93,823	57,367	101,544	59,491	62,879	51,194	49,752	18,490	94,494	135
	Expense Credits																
8	Sundry	(28,252)	(4,314)	-	(3,356)	(2,363)	(4,218)	(1,130)	(614)	(1,087)	(700)	(741)	(599)	(710)	(185)	(6,400)	(1)
9	Building Rental Income	(6,829)	(2,183)	-	(1,833)	(553)	(985)	(264)	(143)	(254)	(163)	(173)	(140)	(94)	(43)	-	(0)
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(1,826)	(279)	-	(217)	(153)	(273)	(73)	(40)	(70)	(45)	(48)	(39)	(46)	(12)	(414)	(0)
12	Pole Attachments	(223,570)	-	-	-	-	(129,301)	(44,189)	-	-	(22,886)	(27,193)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(12,480)	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,480)	-
16	Meter Test Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total Expense Credits**	(272,957)	(6,776)	-	(5,406)	(3,069)	(134,776)	(45,655)	(797)	(1,411)	(23,795)	(28,155)	(777)	(850)	(240)	(19,293)	(1)
18	**Subtotal Expenses**	10,880,561	2,967,037	1,525,264	1,394,185	1,117,361	952,283	246,473	164,355	290,923	158,573	164,836	155,504	173,470	50,732	1,198,745	308
19	Disposal Gain / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Subtotal Revenue Requirement Ex. Return**	10,880,561	2,967,037	1,525,264	1,394,185	1,117,361	952,283	246,473	164,355	290,923	158,573	164,836	155,504	173,470	50,732	1,198,745	308
21	Return on Debt	3,228,790	780,889	-	1,155,153	202,478	421,130	110,695	73,718	130,486	68,059	72,305	73,937	55,500	25,666	58,453	322
22	Return on Equity	337,539	81,634	-	120,760	21,167	44,025	11,572	7,706	13,641	7,115	7,559	7,729	5,802	2,683	6,111	34
23	**Total Revenue Requirement**	14,446,891	3,829,560	1,525,264	2,670,098	1,341,006	1,417,438	368,740	245,780	435,050	233,746	244,700	237,170	234,772	79,082	1,263,308	665

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Expenses			
1	Operating & Maintenance	298,026	24,442	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	
3	Fuels-Diesel	-	-	Production - Demand
4	Fuels-Gas Turbine	-	-	Production - Demand
5	Power Purchases -CF(L)Co	-	-	Carryforward from Sch.4.4 L.8
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.9
7	Depreciation	-	-	Carryforward from Sch.2.5 L.24
	Expense Credits			
8	Sundry	(1,698)	(139)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.18
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(110)	(9)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	**Total Expense Credits**	**(1,807)**	**(148)**	
18	**Subtotal Expenses**	**296,219**	**24,293**	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.24
20	**Subtotal Revenue Requirement Ex. Return**	**296,219**	**24,293**	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	**Total Revenue Requirement**	**296,219**	**24,293**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Gas Turbines	22,489,284	22,489,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	3,372,686	3,372,686	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**25,861,970**	**25,861,970**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																
4	Lines	16,449,131	-	-	16,449,131	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	5,703,966	-	-	5,364,323	334,590	-	-	-	-	-	-	-	-	-	-	5,054
6	**Subtotal Transmission**	**22,153,097**	-	-	**21,813,454**	334,590	-	-	-	-	-	-	-	-	-	-	**5,054**
	Distribution																
7	Substations	6,375,176	122,767	-	-	6,252,410	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	414,826	-	-	-	-	312,758	39,844	-	-	36,277	25,947	-	-	-	-	-
9	Poles	13,810,289	-	-	-	-	7,987,153	2,729,631	-	-	1,413,732	1,679,773	-	-	-	-	-
10	Primary Conductor & Eqpt	3,279,127	-	-	-	-	2,908,586	370,541	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	515,827	-	-	-	-	515,827	-	-	-	-	-	-	-	-	-	-
12	Transformers	4,727,700	-	-	-	-	-	-	1,706,700	3,021,000	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	850,163	-	-	-	-	-	-	-	-	495,645	354,518	-	-	-	-	-
14	Services	1,663,966	-	-	-	-	-	-	-	-	-	-	1,663,966	-	-	-	-
15	Meters	1,120,587	-	-	-	-	-	-	-	-	-	-	-	1,120,587	-	-	-
16	Street Lighting	514,336	-	-	-	-	-	-	-	-	-	-	-	-	514,336	-	-
17	**Subtotal Distribution**	**33,271,998**	**122,767**	-	-	6,252,410	**11,724,324**	**3,140,017**	**1,706,700**	**3,021,000**	**1,945,653**	**2,060,238**	**1,663,966**	**1,120,587**	**514,336**	-	-
18	**Subttl Prod, Trans, & Dist**	**81,287,065**	**25,984,737**	-	**21,813,454**	6,586,999	**11,724,324**	**3,140,017**	**1,706,700**	**3,021,000**	**1,945,653**	**2,060,238**	**1,663,966**	**1,120,587**	**514,336**	-	**5,054**
19	General	7,395,941	1,048,291	-	746,539	645,708	1,181,675	316,477	172,015	304,482	196,099	207,648	167,708	213,888	51,839	2,143,338	235
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	125,723	40,189	-	33,738	10,188	18,133	4,857	2,640	4,672	3,009	3,186	2,574	1,733	795	-	8
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total Plant**	**88,808,729**	**27,073,217**	-	**22,593,730**	**7,242,896**	**12,924,132**	**3,461,350**	**1,881,355**	**3,330,154**	**2,144,761**	**2,271,073**	**1,834,248**	**1,336,208**	**566,970**	**2,143,338**	**5,297**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.9
2	Diesel	Production - Demand, Energy ratios Sch.4.1 L.9
3	**Subtotal Production**	
	Transmission	
4	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
5	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
6	**Subtotal Transmission**	
	Distribution	
7	Substations	Production - Demand; Dist Substns - Demand
8	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
9	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
10	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
11	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
12	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
13	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
14	Services	Services Customer
15	Meters	Meters - Customer
16	Street Lighting	Street Lighting - Customer
17	**Subtotal Distribution**	
18	**Subttl Prod, Trans, & Dist**	
19	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch2.4 L.11, 12
20	Telecontrol - Specific	Specifically Assigned - Customer
21	Feasibility Studies	Production, Transmission - Demand
22	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.18
23	Software - Cust Acctng	
24	**Total Plant**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Gas Turbines	8,762,162	8,762,162	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	933,417	933,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**9,695,579**	**9,695,579**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																
4	Lines	11,136,170	-	-	11,136,170	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	4,245,552	-	-	3,933,850	307,495	-	-	-	-	-	-	-	-	-	-	4,207
6	**Subtotal Transmission**	**15,381,722**	-	-	**15,070,020**	**307,495**	-	-	-	-	-	-	-	-	-	-	**4,207**
	Distribution																
7	Substations	2,142,717	24,086	-	-	2,118,631	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	251,408	-	-	-	-	189,549	24,148	-	-	21,986	15,726	-	-	-	-	-
9	Poles	5,927,202	-	-	-	-	3,427,985	1,171,523	-	-	606,756	720,937	-	-	-	-	-
10	Primary Conductor & Eqpt	1,314,199	-	-	-	-	1,165,695	148,505	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	340,901	-	-	-	-	340,901	-	-	-	-	-	-	-	-	-	-
12	Transformers	2,529,217	-	-	-	-	-	-	913,047	1,616,170	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	337,908	-	-	-	-	-	-	-	-	197,000	140,908	-	-	-	-	-
14	Services	917,989	-	-	-	-	-	-	-	-	-	-	917,989	-	-	-	-
15	Meters	657,999	-	-	-	-	-	-	-	-	-	-	-	657,999	-	-	-
16	Street Lighting	321,612	-	-	-	-	-	-	-	-	-	-	-	-	321,612	-	-
17	**Subtotal Distribution**	**14,741,152**	**24,086**	-	-	**2,118,631**	**5,124,130**	**1,344,176**	**913,047**	**1,616,170**	**825,742**	**877,571**	**917,989**	**657,999**	**321,612**	-	-
18	**Subttl Prod, Trans, & Dist**	**39,818,453**	**9,719,665**	-	**15,070,020**	**2,426,126**	**5,124,130**	**1,344,176**	**913,047**	**1,616,170**	**825,742**	**877,571**	**917,989**	**657,999**	**321,612**	-	**4,207**
19	General	2,650,891	375,734	-	267,578	231,438	423,542	113,433	61,655	109,134	70,287	74,426	60,111	76,663	18,580	768,226	84
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	86,440	21,100	-	32,715	5,267	11,124	2,918	1,982	3,508	1,793	1,905	1,993	1,428	698	-	9
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total Net Book Value**	**42,555,784**	**10,116,499**	-	**15,370,313**	**2,662,831**	**5,558,796**	**1,460,527**	**976,684**	**1,728,812**	**897,821**	**953,902**	**980,092**	**736,090**	**340,890**	**768,226**	**4,300**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Gas Turbine / Diesel	298,510	298,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	84,861	84,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**383,371**	**383,371**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Transmission																
4	Transmission Lines	99,152	-	-	99,152	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	68,580	-	-	64,496	4,023	-	-	-	-	-	-	-	-	-	-	61
6	Other	114,383	-	-	112,630	1,728	-	-	-	-	-	-	-	-	-	-	26
7	**Subtotal Transmission**	**282,115**	**-**	**-**	**276,278**	**5,750**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**87**
	Distribution																
8	Other	1,199,234	4,579	-	-	233,212	437,312	117,121	63,659	112,682	72,572	76,846	62,065	-	19,185	-	-
9	Meters	79,155	-	-	-	-	-	-	-	-	-	-	-	79,155	-	-	-
10	**Subtotal Distribution**	**1,278,389**	**4,579**	**-**	**-**	**233,212**	**437,312**	**117,121**	**63,659**	**112,682**	**72,572**	**76,846**	**62,065**	**79,155**	**19,185**	**-**	**-**
11	**Subttl Prod, Trans, & Dist**	**1,943,875**	**387,950**	**-**	**276,278**	**238,963**	**437,312**	**117,121**	**63,659**	**112,682**	**72,572**	**76,846**	**62,065**	**79,155**	**19,185**	**-**	**87**
12	Customer Accounting	793,203	-	-	-	-	-	-	-	-	-	-	-	-	-	793,203	-
	Administrative & General:																
	Plant-Related:																
13	Production	22,229	22,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	66,688	-	-	65,666	1,007	-	-	-	-	-	-	-	-	-	-	15
15	Distribution	133,376	492	-	-	25,064	46,999	12,587	6,842	12,110	7,799	8,259	6,670	4,492	2,062	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn & General Plt	481,661	146,834	-	122,539	39,282	70,095	18,773	10,204	18,061	11,632	12,317	9,948	7,247	3,075	11,625	29
18	Property Insurance	60,750	36,223	-	8,188	9,692	1,583	424	230	408	263	278	225	287	69	2,872	7
	Revenue-Related:																
19	Municipal Tax	298,026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	24,442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	1,089,874	154,477	-	110,011	95,152	174,133	46,636	25,348	44,869	28,897	30,599	24,714	31,519	7,639	315,844	35
22																	
	Prod,Trans & Distn Expense-Related	45,869	9,154	-	6,519	5,639	10,319	2,764	1,502	2,659	1,712	1,813	1,465	1,868	453	-	2
23	**Subtotal Admin & General**	**2,222,915**	**369,410**	**-**	**312,923**	**175,836**	**303,129**	**81,184**	**44,126**	**78,107**	**50,304**	**53,267**	**43,021**	**45,412**	**13,298**	**330,341**	**88**
24	**Total Operating & Maintenance Expenses**	**4,959,994**	**757,360**	**-**	**589,201**	**414,799**	**740,442**	**198,306**	**107,785**	**190,789**	**122,876**	**130,113**	**105,087**	**124,568**	**32,483**	**1,123,544**	**175**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	20 Basis of Functional Classification
	Production			
1	Gas Turbine / Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
3	**Subtotal Production**	-	-	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.6
7	**Subtotal Transmission**	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 17, less L. 15
9	Meters	-	-	Meters - Customer
10	**Subtotal Distribution**	-	-	
11	**Subttl Prod, Trans, & Dist**	-	-	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.3
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L. 6
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18
17	Prod, Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 20
	Revenue-Related:			
19	Municipal Tax	298,026	-	Revenue-related
20	PUB Assessment	-	24,442	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 11, 12
22				
	Prod,Trans & Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	**Subtotal Admin & General**	298,026	24,442	
24	**Total Operating & Maintenance Expenses**	298,026	24,442	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	Production																
1	Gas Turbines	901,529	901,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	65,117	65,117	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Subtotal Production**	**966,646**	**966,646**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission																
4	Lines	598,839	-	-	598,839	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	158,199	-	-	153,653	4,425	-	-	-	-	-	-	-	-	-	-	121
6	**Subtotal Transmission**	**757,038**	-	-	**752,492**	**4,425**	-	-	-	-	-	-	-	-	-	-	**121**
	Distribution																
7	Substations	115,087	1,664	-	-	113,423	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	11,937	-	-	-	-	9,000	1,147	-	-	1,044	747	-	-	-	-	-
9	Poles	346,983	-	-	-	-	200,677	68,582	-	-	35,520	42,204	-	-	-	-	-
10	Primary Conductor & Eqpt	67,037	-	-	-	-	59,461	7,575	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	15,918	-	-	-	-	15,918	-	-	-	-	-	-	-	-	-	-
12	Transformers	133,472	-	-	-	-	-	-	48,184	85,289	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	21,695	-	-	-	-	-	-	-	-	12,648	9,047	-	-	-	-	-
14	Services	42,393	-	-	-	-	-	-	-	-	-	-	42,393	-	-	-	-
15	Meters	39,026	-	-	-	-	-	-	-	-	-	-	-	39,026	-	-	-
16	Street Lighting	15,684	-	-	-	-	-	-	-	-	-	-	-	-	15,684	-	-
17	**Subtotal Distribution**	**809,231**	**1,664**	-	-	**113,423**	**285,056**	**77,304**	**48,184**	**85,289**	**49,212**	**51,998**	**42,393**	**39,026**	**15,684**	-	-
18	**Subttl Prod, Trans, & Dist**	**2,532,915**	**968,310**	-	**752,492**	**117,848**	**285,056**	**77,304**	**48,184**	**85,289**	**49,212**	**51,998**	**42,393**	**39,026**	**15,684**	-	**121**
19	General	326,067	46,216	-	32,913	28,468	52,097	13,953	7,584	13,424	8,645	9,155	7,394	9,430	2,285	94,494	10
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	84,100	32,151	-	24,985	3,913	9,465	2,567	1,600	2,832	1,634	1,726	1,408	1,296	521	-	4
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Total Depreciation Expense**	**2,943,082**	**1,046,676**	-	**810,390**	**150,228**	**346,617**	**93,823**	**57,367**	**101,544**	**59,491**	**62,879**	**51,194**	**49,752**	**18,490**	**94,494**	**135**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
1	Average Net Book Value	42,555,784	10,116,499	-	15,370,313	2,662,831	5,558,796	1,460,527	976,684	1,728,812	897,821	953,902	980,092	736,090	340,890	768,226	4,300
2	Cash Working Capital	95,632	22,734	-	34,540	5,984	12,492	3,282	2,195	3,885	2,018	2,144	2,202	1,654	766	1,726	10
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	32,705	32,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	138,016	138,016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	896,324	273,243	-	228,033	73,101	130,440	34,935	18,988	33,610	21,647	22,921	18,513	13,486	5,722	21,632	53
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	2,375,379	564,683	-	857,940	148,634	310,281	81,524	54,517	96,499	50,115	53,245	54,707	41,087	19,028	42,881	240
8	Total Rate Base	**46,093,840**	**11,147,880**	**-**	**16,490,827**	**2,890,550**	**6,012,009**	**1,580,267**	**1,052,384**	**1,862,807**	**971,600**	**1,032,212**	**1,055,514**	**792,317**	**366,406**	**834,465**	**4,603**
9	Less: Rural Portion	-															
10	Rate Base Available for Equity Return	**46,093,840**	**11,147,880**	**-**	**16,490,827**	**2,890,550**	**6,012,009**	**1,580,267**	**1,052,384**	**1,862,807**	**971,600**	**1,032,212**	**1,055,514**	**792,317**	**366,406**	**834,465**	**4,603**
11	Return on Debt	3,228,790	780,889	-	1,155,153	202,478	421,130	110,695	73,718	130,486	68,059	72,305	73,937	55,500	25,666	58,453	322
12	Return on Equity	337,539	81,634	-	120,760	21,167	44,025	11,572	7,706	13,641	7,115	7,559	7,729	5,802	2,683	6,111	34
13	Return on Rate Base	**3,566,329**	**862,523**	**-**	**1,275,913**	**223,645**	**465,156**	**122,267**	**81,424**	**144,127**	**75,174**	**79,863**	**81,666**	**61,302**	**28,349**	**64,563**	**356**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 24
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Demand
5	Fuel Inventory - Gas Turbine	Production - Demand
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 24
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6 Distribution Substations Demand	7 Distribution Primary Lines Demand	8 Distribution Primary Lines Customer	9 Distribution Line Transformers Demand	10 Distribution Line Transformers Customer	11 Distribution Secondary Lines Demand	12 Distribution Secondary Lines Customer	13 Distribution Services Customer	14 Distribution Meters Customer	15 Distribution Street Lighting Customer	16 Accounting Customer	17 Specifically Assigned Customer
	Amounts		(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wtd Rural Cust)			(Rural Cust)	
1	CFB - Goose Bay Secondary	-	-	87,373	-	-	-	1	-	1	-	1	-	-	-	1	1
2	IOCC Firm	-	69,858	346,106	62,000	-	-	-	-	-	-	-	-	-	-	-	-
3	IOCC Non-Firm	-	-	6,886	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																
4	1.1Domestic	-	1,981	7,766	1,758	1,676	1,676	600	1,553	600	1,553	600	600	600	-	600	-
5	1.1A Domestic All Electric	-	71,413	309,195	63,380	60,415	60,415	7,332	55,999	7,332	55,999	7,332	7,332	7,332		7,332	
6	2.1GS 0-10 kW	-	912	5,343	809	771	771	400	715	400	715	400	800	800	-	400	-
7	2.2GS 10-100 kW	-	14,909	77,016	13,232	12,613	12,613	632	11,691	632	11,691	632	5,101	5,101	-	632	-
8	2.3GS 110-1,000 kVa	-	21,233	102,101	18,845	17,963	17,963	121	16,650	121	16,650	121	1,037	1,037	-	121	-
9	2.4GS Over 1,000 kVa	-	11,244	67,366	9,979	9,513	9,513	4	8,817	4	8,817	4	34	34	-	4	-
10	4.1Street and Area Lighting	-	474	1,847	421	401	401	308	372	308	372	308	-	-	1	308	-
11	**Subtotal Rural**		**122,167**	**570,634**	**108,425**	**103,353**	**103,353**	**9,397**	**95,797**	**9,397**	**95,797**	**9,397**	**14,905**	**14,905**	**1**	**9,397**	**-**
12	**Total Labrador Interconnected**		**192,025**	**1,011,000**	**170,425**	**103,353**	**103,353**	**9,398**	**95,797**	**9,398**	**95,797**	**9,398**	**14,905**	**14,905**	**1**	**9,398**	**1**
	Ratios																
13	CFB - Goose Bay Boiler	-	-	0.0864	-	-	-	0.0001	-	0.0001	-	0.0001	-	-	-	0.0001	1.0000
14	IOCC Firm	-	0.3638	0.3423	0.3638	-	-	-	-	-	-	-	-	-	-	-	-
15	IOCC Non-Firm	-	-	0.0068	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural																
16	1.1Domestic	-	0.0103	0.0077	0.0103	0.0162	0.0162	0.0638	0.0162	0.0638	0.0162	0.0638	0.0403	0.0403	-	0.0638	-
17	1.1A Domestic All Electric	-	0.3719	0.3058	0.3719	0.5846	0.5846	0.7802	0.5846	0.7802	0.5846	0.7802	0.4919	0.4919	-	0.7802	-
18	2.1GS 0-10 kW	-	0.0047	0.0053	0.0047	0.0075	0.0075	0.0426	0.0075	0.0426	0.0075	0.0426	0.0537	0.0537	-	0.0426	-
19	2.2GS 10-100 kW	-	0.0776	0.0762	0.0776	0.1220	0.1220	0.0673	0.1220	0.0673	0.1220	0.0673	0.3423	0.3423	-	0.0673	-
20	2.3GS 110-1,000 kVa	-	0.1106	0.1010	0.1106	0.1738	0.1738	0.0129	0.1738	0.0129	0.1738	0.0129	0.0696	0.0696	-	0.0129	-
21	2.4GS Over 1,000 kVa	-	0.0586	0.0666	0.0586	0.0920	0.0920	0.0004	0.0920	0.0004	0.0920	0.0004	0.0023	0.0023	-	0.0004	-
22	4.1Street and Area Lighting	-	0.0025	0.0018	0.0025	0.0039	0.0039	0.0327	0.0039	0.0327	0.0039	0.0327	-	-	1.0000	0.0327	-
23	**Subtotal Rural**		**0.6362**	**0.5644**	**0.6362**	**1.0000**	**1.0000**	**0.9999**	**1.0000**	**0.9999**	**1.0000**	**0.9999**	**1.0000**	**1.0000**	**1.0000**	**0.9999**	**-**
24	**Total Labrador Interconnected**		**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**
	Ratios Excluding IOCC																
25	CFB - Goose Bay Boiler	-	-	0.1328	-	-	-	0.0001	-	0.0001	-	0.0001	-	-	-	0.0001	1.0000
	Rural																
26	1.1Domestic	-	0.0162	0.0118	0.0162	0.0162	0.0162	0.0638	0.0162	0.0638	0.0162	0.0638	0.0403	0.0403	-	0.0638	-
27	1.1A Domestic All Electric	-	0.5846	0.4699	0.5846	0.5846	0.5846	0.7802	0.5846	0.7802	0.5846	0.7802	0.4919	0.4919	-	0.7802	-
28	2.1GS 0-10 kW	-	0.0075	0.0081	0.0075	0.0075	0.0075	0.0426	0.0075	0.0426	0.0075	0.0426	0.0537	0.0537	-	0.0426	-
29	2.2GS 10-100 kW	-	0.1220	0.1170	0.1220	0.1220	0.1220	0.0673	0.1220	0.0673	0.1220	0.0673	0.3423	0.3423	-	0.0673	-
30	2.3GS 110-1,000 kVa	-	0.1738	0.1552	0.1738	0.1738	0.1738	0.0129	0.1738	0.0129	0.1738	0.0129	0.0696	0.0696	-	0.0129	-
31	2.4GS Over 1,000 kVa	-	0.0920	0.1024	0.0920	0.0920	0.0920	0.0004	0.0920	0.0004	0.0920	0.0004	0.0023	0.0023	-	0.0004	-
32	4.1Street and Area Lighting	-	0.0039	0.0028	0.0039	0.0039	0.0039	0.0327	0.0039	0.0327	0.0039	0.0327	-	-	1.0000	0.0327	-
33	**Subtotal Rural**		**1.0000**	**0.8672**	**1.0000**	**1.0000**	**1.0000**	**0.9999**	**1.0000**	**0.9999**	**1.0000**	**0.9999**	**1.0000**	**1.0000**	**1.0000**	**0.9999**	**-**
34	**Total Labrador Interconnected**		**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		18 Revenue Related Municipal Tax (Prior Year (Rural Revenues)	19 Revenue Related PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	CFB - Goose Bay Secondary	-	4,214,154
2	IOCC Firm	-	-
3	IOCC Non-Firm	-	-
	Rural		
4	1.1Domestic	225,764	225,764
5	1.1A Domestic All Electric	7,280,168	7,280,168
6	2.1GS 0-10 kW	244,528	244,528
7	2.2GS 10-100 kW	1,831,968	1,831,968
8	2.3GS 110-1,000 kVa	2,179,087	2,179,087
9	2.4GS Over 1,000 kVa	301,197	1,129,036
10	4.1Street and Area Lighting	222,434	222,434
11	**Subtotal Rural**	**12,285,146**	**13,112,985**
12	**Total Labrador Interconnected**	**12,285,146**	**17,327,139**
	Ratios		
13	CFB - Goose Bay Boiler	-	0.2432
14	IOCC Firm	-	-
15	IOCC Non-Firm	-	-
	Rural		
16	1.1Domestic	0.0184	0.0130
17	1.1A Domestic All Electric	0.5926	0.4202
18	2.1GS 0-10 kW	0.0199	0.0141
19	2.2GS 10-100 kW	0.1491	0.1057
20	2.3GS 110-1,000 kVa	0.1774	0.1258
21	2.4GS Over 1,000 kVa	0.0245	0.0652
22	4.1Street and Area Lighting	0.0181	0.0128
23	**Subtotal Rural**	**1.0000**	**0.7568**
24	**Total Labrador Interconnected**	**1.0000**	**1.0000**
	Ratios Excluding IOCC		
25	CFB - Goose Bay Boiler	-	0.2432
	Rural		
26	1.1Domestic	0.0184	0.0130
27	1.1A Domestic All Electric	0.5926	0.4202
28	2.1GS 0-10 kW	0.0199	0.0141
29	2.2GS 10-100 kW	0.1491	0.1057
30	2.3GS 110-1,000 kVa	0.1774	0.1258
31	2.4GS Over 1,000 kVa	0.0245	0.0652
32	4.1Street and Area Lighting	0.0181	0.0128
33	**Subtotal Rural**	**1.0000**	**0.7568**
34	**Total Labrador Interconnected**	**1.0000**	**1.0000**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6 Substations Demand	7 Primary Lines Demand	8 Primary Lines Customer	9 Line Transformers Demand	10 Line Transformers Customer	11 Secondary Lines Demand	12 Secondary Lines Customer	13 Services Customer	14 Meters Customer	15 Street Lighting Customer	16 Accounting Customer	17 Specifically Assigned Customer
						Distribution											
	Allocated Rev Reqmt Excl Return	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
1	CFB - Goose Bay Boiler	138,236	-	131,817	-	-	-	26	-	31	-	18	-	-	-	128	308
2	IOCC Firm	2,108,754	1,079,396	522,159	507,199	-	-	-	-	-	-	-	-	-	-	-	-
3	IOCC Non-Firm	10,389	-	10,389	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:																
4	1.1Domestic	235,880	30,609	11,716	14,383	18,119	15,442	15,737	2,665	18,574	2,571	10,524	6,260	6,983	-	76,536	-
5	1.1A Domestic All Electric	5,317,717	1,103,429	466,473	518,492	653,158	556,661	192,300	96,075	226,980	92,694	128,607	76,497	85,335	-	935,269	-
6	2.1GS 0-10 kW	151,437	14,088	8,061	6,620	8,339	7,107	10,491	1,227	12,383	1,183	7,016	8,347	9,311	-	51,024	-
7	2.2GS 10-100 kW	1,033,958	230,362	116,192	108,245	136,359	116,214	16,576	20,057	19,565	19,352	11,086	53,222	59,371	-	80,618	-
8	2.3GS 110-1,000 kVa	1,155,095	328,084	154,037	154,164	194,205	165,513	3,174	28,566	3,746	27,561	2,122	10,821	12,071	-	15,435	-
9	2.4GS Over 1,000 kVa	587,633	173,738	101,633	81,638	102,842	87,648	105	15,127	124	14,595	70	358	399	-	510	-
10	4.1Street and Area Lighting	141,463	7,330	2,787	3,444	4,339	3,698	8,065	638	9,519	616	5,394	-	-	50,732	39,225	-
11	**Subtotal Rural**	**8,623,183**	**1,887,641**	**860,898**	**886,987**	**1,117,361**	**952,283**	**246,447**	**164,355**	**290,892**	**158,573**	**164,819**	**155,504**	**173,470**	**50,732**	**1,198,617**	**-**
12	**Total**	**10,880,561**	**2,967,037**	**1,525,264**	**1,394,185**	**1,117,361**	**952,283**	**246,473**	**164,355**	**290,923**	**158,573**	**164,836**	**155,504**	**173,470**	**50,732**	**1,198,745**	**308**
	Allocated Return on Debt																
13	CFB - Goose Bay Boiler	362	-	-	-	-	-	12	-	14	-	8	-	-	-	6	322
14	IOCC Firm	704,324	284,084	-	420,240	-	-	-	-	-	-	-	-	-	-	-	-
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:																
16	1.1Domestic	61,342	8,056	-	11,917	3,283	6,829	7,068	1,195	8,331	1,104	4,616	2,976	2,234	-	3,732	-
17	1.1A Domestic All Electric	1,521,278	290,409	-	429,597	118,359	246,174	86,365	43,092	101,806	39,784	56,413	36,372	27,302	-	45,605	-
18	2.1GS 0-10 kW	37,684	3,708	-	5,485	1,511	3,143	4,712	550	5,554	508	3,078	3,969	2,979	-	2,488	-
19	2.2GS 10-100 kW	313,034	60,628	-	89,686	24,710	51,393	7,444	8,996	8,775	8,306	4,863	25,305	18,995	-	3,931	-
20	2.3GS 110-1,000 kVa	360,905	86,348	-	127,733	35,192	73,195	1,425	12,813	1,680	11,829	931	5,145	3,862	-	753	-
21	2.4GS Over 1,000 kVa	184,269	45,726	-	67,641	18,636	38,761	47	6,785	56	6,264	31	170	128	-	25	-
22	4.1Street and Area Lighting	45,592	1,929	-	2,854	786	1,635	3,622	286	4,270	264	2,366	-	-	25,666	1,913	-
23	**Subtotal Rural**	**2,524,104**	**496,805**	**-**	**734,913**	**202,478**	**421,130**	**110,683**	**73,718**	**130,472**	**68,059**	**72,297**	**73,937**	**55,500**	**25,666**	**58,447**	**-**
24	**Total**	**3,228,790**	**780,889**	**-**	**1,155,153**	**202,478**	**421,130**	**110,695**	**73,718**	**130,486**	**68,059**	**72,305**	**73,937**	**55,500**	**25,666**	**58,453**	**322**
	Allocated Return on Equity																
25	CFB - Goose Bay Boiler	38	-	-	-	-	-	1	-	1	-	1	-	-	-	1	34
26	IOCC Firm	73,630	29,698	-	43,932	-	-	-	-	-	-	-	-	-	-	-	-
27	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:																
28	1.1Domestic	6,413	842	-	1,246	343	714	739	125	871	115	483	311	234	-	390	-
29	1.1A Domestic All Electric	159,035	30,360	-	44,910	12,373	25,735	9,029	4,505	10,643	4,159	5,897	3,802	2,854	-	4,768	-
30	2.1GS 0-10 kW	3,940	388	-	573	158	329	493	58	581	53	322	415	311	-	260	-
31	2.2GS 10-100 kW	32,725	6,338	-	9,376	2,583	5,373	778	940	917	868	508	2,645	1,986	-	411	-
32	2.3GS 110-1,000 kVa	37,729	9,027	-	13,353	3,679	7,652	149	1,339	176	1,237	97	538	404	-	79	-
33	2.4GS Over 1,000 kVa	19,264	4,780	-	7,071	1,948	4,052	5	709	6	655	3	18	13	-	3	-
34	4.1Street and Area Lighting	4,766	202	-	298	82	171	379	30	446	28	247	-	-	2,683	200	-
35	**Subtotal Rural**	**263,871**	**51,936**	**-**	**76,828**	**21,167**	**44,025**	**11,571**	**7,706**	**13,640**	**7,115**	**7,558**	**7,729**	**5,802**	**2,683**	**6,110**	**-**
36	**Total**	**337,539**	**81,634**	**-**	**120,760**	**21,167**	**44,025**	**11,572**	**7,706**	**13,641**	**7,115**	**7,559**	**7,729**	**5,802**	**2,683**	**6,111**	**34**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax	19 Revenue Related PUB Assessment	Basis of Proration
	Allocated Rev Reqmt Excl Return	($)	($)	
1	CFB - Goose Bay Boiler	-	5,908	
2	IOCC Firm	-	-	
3	IOCC Non-Firm	-	-	
	Rural:			
4	1.1Domestic	5,444	317	
5	1.1A Domestic All Electric	175,539	10,207	
6	2.1GS 0-10 kW	5,896	343	
7	2.2GS 10-100 kW	44,172	2,568	
8	2.3GS 110-1,000 kVa	52,542	3,055	
9	2.4GS Over 1,000 kVa	7,262	1,583	
10	4.1Street and Area Lighting	5,363	312	
11	**Subtotal Rural**	**296,219**	**18,385**	
12	**Total**	**296,219**	**24,293**	
	Allocated Return on Debt			
13	CFB - Goose Bay Boiler	-	-	
14	IOCC Firm	-	-	
15	IOCC Non-Firm	-	-	
	Rural:			
16	1.1Domestic	-	-	
17	1.1A Domestic All Electric	-	-	
18	2.1GS 0-10 kW	-	-	
19	2.2GS 10-100 kW	-	-	
20	2.3GS 110-1,000 kVa	-	-	
21	2.4GS Over 1,000 kVa	-	-	
22	4.1Street and Area Lighting	-	-	
23	**Subtotal Rural**	**-**	**-**	
24	**Total**	**-**	**-**	
	Allocated Return on Equity			
25	CFB - Goose Bay Boiler	-	-	
26	IOCC Firm	-	-	
27	IOCC Non-Firm	-	-	
	Rural:			
28	1.1Domestic	-	-	
29	1.1A Domestic All Electric	-	-	
30	2.1GS 0-10 kW	-	-	
31	2.2GS 10-100 kW	-	-	
32	2.3GS 110-1,000 kVa	-	-	
33	2.4GS Over 1,000 kVa	-	-	
34	4.1Street and Area Lighting	-	-	
35	**Subtotal Rural**	**-**	**-**	
36	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6 Distribution Substations Demand	7 Distribution Primary Lines Demand	8 Distribution Primary Lines Customer	9 Distribution Line Transformers Demand	10 Distribution Line Transformers Customer	11 Distribution Secondary Lines Demand	12 Distribution Secondary Lines Customer	13 Distribution Services Customer	14 Distribution Meters Customer	15 Distribution Street Lighting Customer	16 Accounting Customer	17 Specifically Assigned Customer
	Total Revenue Requirement	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
37	CFB - Goose Bay Boiler	138,636	-	131,817	-	-	-	39	-	46	-	26	-	-	-	134	665
38	IOCC Firm	2,886,708	1,393,178	522,159	971,370	-	-	-	-	-	-	-	-	-	-	-	-
39	IOCC Non-Firm	10,389	-	10,389	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:																
40	1.1Domestic	303,634	39,507	11,716	27,546	21,745	22,984	23,543	3,985	27,777	3,790	15,623	9,548	9,451	-	80,658	-
41	1.1A Domestic All Electric	6,998,030	1,424,198	466,473	992,999	783,891	828,570	287,694	143,672	339,429	136,638	190,916	116,671	115,491	-	985,642	-
42	2.1GS 0-10 kW	193,060	18,184	8,061	12,678	10,008	10,579	15,695	1,834	18,518	1,745	10,416	12,730	12,601	-	53,772	-
43	2.2GS 10-100 kW	1,379,717	297,328	116,192	207,307	163,652	172,980	24,798	29,994	29,258	28,526	16,457	81,172	80,352	-	84,960	-
44	2.3GS 110-1,000 kVa	1,553,730	423,459	154,037	295,250	233,076	246,360	4,748	42,718	5,602	40,627	3,151	16,504	16,337	-	16,266	-
45	2.4GS Over 1,000 kVa	791,166	224,245	101,633	156,351	123,426	130,461	157	22,622	185	21,514	104	546	540	-	538	-
46	4.1Street and Area Lighting	191,820	9,461	2,787	6,596	5,207	5,504	12,066	954	14,235	908	8,007	-	-	79,082	41,337	-
47	**Subtotal Rural**	**11,411,158**	**2,436,382**	**860,898**	**1,698,728**	**1,341,006**	**1,417,438**	**368,701**	**245,780**	**435,004**	**233,746**	**244,674**	**237,170**	**234,772**	**79,082**	**1,263,174**	**-**
48	**Total**	**14,446,891**	**3,829,560**	**1,525,264**	**2,670,098**	**1,341,006**	**1,417,438**	**368,740**	**245,780**	**435,050**	**233,746**	**244,700**	**237,170**	**234,772**	**79,082**	**1,263,308**	**665**
	Re-classification of Revenue-Related																
49	CFB - Goose Bay Boiler	-	-	5,868	-	-	-	2	-	2	-	1	-	-	-	6	30
50	IOCC Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:																
52	1.1Domestic	-	764	227	533	420	444	455	77	537	73	302	185	183	-	1,560	-
53	1.1A Domestic All Electric	0	38,833	12,719	27,075	21,374	22,592	7,844	3,917	9,255	3,726	5,206	3,181	3,149	-	26,875	-
54	2.1GS 0-10 kW	-	607	269	423	334	353	524	61	618	58	348	425	421	-	1,796	-
55	2.2GS 10-100 kW	(0)	10,426	4,074	7,269	5,738	6,066	870	1,052	1,026	1,000	577	2,846	2,818	-	2,979	-
56	2.3GS 110-1,000 kVa	0	15,715	5,716	10,957	8,650	9,143	176	1,585	208	1,508	117	612	606	-	604	-
57	2.4GS Over 1,000 kVa	0	2,535	1,149	1,768	1,396	1,475	2	256	2	243	1	6	6	-	6	-
58	4.1Street and Area Lighting	0	288	85	201	159	168	368	29	434	28	244	-	-	2,411	1,260	-
59	**Subtotal Rural**	**-**	**69,169**	**24,240**	**48,227**	**38,071**	**40,241**	**10,239**	**6,978**	**12,080**	**6,636**	**6,795**	**7,256**	**7,183**	**2,411**	**35,079**	**-**
60	**Total**	**0**	**69,169**	**30,107**	**48,227**	**38,071**	**40,241**	**10,241**	**6,978**	**12,083**	**6,636**	**6,796**	**7,256**	**7,183**	**2,411**	**35,085**	**30**
	Total Allocated Revenue Requirement																
61	CFB - Goose Bay Boiler	138,636	-	137,685	-	-	-	41	-	48	-	27	-	-	-	140	694
62	IOCC Firm	2,886,708	1,393,178	522,159	971,370	-	-	-	-	-	-	-	-	-	-	-	-
63	IOCC Non-Firm	10,389	-	10,389	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rural:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	1.1Domestic	303,634	40,271	11,943	28,078	22,166	23,429	23,998	4,063	28,314	3,864	15,925	9,732	9,634	-	82,218	-
65	1.1A Domestic All Electric	6,998,030	1,463,031	479,192	1,020,074	805,265	851,162	295,538	147,589	348,684	140,363	196,122	119,852	118,640	-	1,012,517	-
66	2.1GS 0-10 kW	193,060	18,791	8,330	13,102	10,343	10,932	16,219	1,896	19,136	1,803	10,763	13,155	13,022	-	55,568	-
67	2.2GS 10-100 kW	1,379,717	307,754	120,266	214,577	169,391	179,045	25,668	31,046	30,284	29,526	17,034	84,019	83,169	-	87,939	-
68	2.3GS 110-1,000 kVa	1,553,730	439,174	159,753	306,207	241,725	255,503	4,924	44,303	5,809	42,134	3,268	17,116	16,943	-	16,870	-
69	2.4GS Over 1,000 kVa	791,166	226,780	102,782	158,119	124,822	131,936	159	22,877	187	21,757	105	552	546	-	544	-
70	4.1Street and Area Lighting	191,820	9,749	2,872	6,798	5,366	5,672	12,434	984	14,669	935	8,251	-	-	81,493	42,598	-
71	**Subtotal Rural**	**11,411,158**	**2,505,551**	**885,138**	**1,746,954**	**1,379,077**	**1,457,679**	**378,940**	**252,757**	**447,084**	**240,382**	**251,468**	**244,426**	**241,955**	**81,493**	**1,298,253**	**-**
72	**Total**	**14,446,891**	**3,898,729**	**1,555,371**	**2,718,325**	**1,379,077**	**1,457,679**	**378,981**	**252,757**	**447,133**	**240,382**	**251,496**	**244,426**	**241,955**	**81,493**	**1,298,393**	**694**

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	Total Revenue Requirement			
37	CFB - Goose Bay Boiler	-	5,908	
38	IOCC Firm	-	-	
39	IOCC Non-Firm	-	-	
	Rural:			
40	1.1Domestic	5,444	317	
41	1.1A Domestic All Electric	175,539	10,207	
42	2.1GS 0-10 kW	5,896	343	
43	2.2GS 10-100 kW	44,172	2,568	
44	2.3GS 110-1,000 kVa	52,542	3,055	
45	2.4GS Over 1,000 kVa	7,262	1,583	
46	4.1Street and Area Lighting	5,363	312	
47	**Subtotal Rural**	**296,219**	**18,385**	
48	**Total**	**296,219**	**24,293**	
	Re-classification of Revenue-Related			
49	CFB - Goose Bay Boiler	-	(5,908)	Re-classification to demand, energy and customer is based on rate class revenue
50	IOCC Firm	-	-	requirements excluding revenue-related items.
51	IOCC Non-Firm	-	-	
	Rural:			
52	1.1Domestic	(5,444)	(317)	
53	1.1A Domestic All Electric	(175,539)	(10,207)	
54	2.1GS 0-10 kW	(5,896)	(343)	
55	2.2GS 10-100 kW	(44,172)	(2,568)	
56	2.3GS 110-1,000 kVa	(52,542)	(3,055)	
57	2.4GS Over 1,000 kVa	(7,262)	(1,583)	
58	4.1Street and Area Lighting	(5,363)	(312)	
59	**Subtotal Rural**	**(296,219)**	**(18,385)**	
60	**Total**	**(296,219)**	**(24,293)**	
	Total Allocated Revenue Requirement			
61	CFB - Goose Bay Boiler	-	-	
62	IOCC Firm	-	-	
63	IOCC Non-Firm	-	-	
	Rural:	-	-	
64	1.1Domestic	-	-	
65	1.1A Domestic All Electric	-	-	
66	2.1GS 0-10 kW	-	-	
67	2.2GS 10-100 kW	-	-	
68	2.3GS 110-1,000 kVa	-	-	
69	2.4GS Over 1,000 kVa	-	-	
70	4.1Street and Area Lighting	-	-	
71	**Subtotal Rural**	**-**	**-**	
72	**Total**	**-**	**-**	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Functionalization & Classification Ratios

Line No.	1 Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7 Distribution Substations Demand (%)	8 Distribution Primary Lines Demand (%)	9 Distribution Primary Lines Customer (%)	10 Distribution Line Transformers Demand (%)	11 Distribution Line Transformers Customer (%)	12 Distribution Secondary Lines Demand (%)	13 Distribution Secondary Lines Customer (%)	14 Distribution Services Customer (%)	15 Distribution Meters Customer (%)	16 Distribution Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
	Generation																	
1	Hydraulic	100%	43.59%	56.41%														
2	Hydraulic - GNP	100%	43.59%	56.41%		0.0%												
3	Holyrood	100%	59.17%	40.83%														
4	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
5	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
6	Dsl / Gas Tur Island Isolated	100%	49.93%	50.07%														
7	Dsl / Gas Tur Labrador Isolated	100%	36.10%	63.90%														
8	Dsl / Gas Tur L'Anse au Loup	100%	100.00%	0.00%														
9	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
	Fuel																	
10	No. 6 Fuel	100%	0.00%	100.00%														
11	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
12	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
13	Dsl / Gas Tur Island / Lab Isolated	100%	0.00%	100.00%														
14	Dsl / Gas Tur L'Anse au Loup	100%	0.00%	100.00%														
15	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
	Transmission Lines & Terminals																	
16	Lines	100%		0.00%	100%													
17	Lines - Hydraulic	100%	43.59%	56.41%														
18	Lines - Customer Specific	100%																100%
19	Terminal Stations	100%		0.00%	100%													
20	Term Stns - Hydraulic	100%	43.59%	56.41%														
21	Term Stns - Holyrood	100%	59.17%	40.83%														
22	Term Stns - Gas Tur	100%	100%															
23	Term Stns - Diesel GNP	100%	100.00%	0.00%		0.0%												
24	Terminal Stations - Distribution	100%					100%											
25	Term Stns - Custmr Specific	100%																100%
26	Rural Lines	100%				100.0%												
27	Rural Terminal Stations	100%				100.0%												

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Functionalization & Classification Ratios (CONT'D.)

Line No.	1 Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7 Distribution Substations Demand (%)	8 Distribution Primary Lines Demand (%)	9 Distribution Primary Lines Customer (%)	10 Distribution Line Transformers Demand (%)	11 Distribution Line Transformers Customer (%)	12 Distribution Secondary Lines Demand (%)	13 Distribution Secondary Lines Customer (%)	14 Distribution Services Customer (%)	15 Distribution Meters Customer (%)	16 Distribution Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
	Distribution																	
28	Substation Structures & Equipment						100%											
29	Land & Land Improvements - by Sub-function:																	
30	Primary	85%						88.7%	11.3%									
31	Secondary	15%										58.3%	41.7%					
32	Land & Land Improvements	100%						75.4%	9.6%			8.7%	6.3%					
33	Poles - by Subfunction:																	
34	3 phase - Primary	41.2%						100.0%										
35	Other Primary	36.4%						45.7%	54.3%									
36	Secondary	22.4%										45.7%	54.3%					
37	Poles	100%						57.8%	19.8%			10.2%	12.2%					
38	Primary Condctr & Equip	100%						88.7%	11.3%									
39	Submarine Conductor	100%						100.0%										
40	Transformers	100%								36.1%	63.9%							
41	Secondary Condctr & Equip	100%										58.3%	41.7%					
42	Services	100%												100.0%				
43	Meters	100%													100.0%			
44	Street Lighting	100%														100.0%		
45	Customer Accounting	100%															100.0%	

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service

System Load Factor

Line No.	1	2	3	4	5	6
		Island Interconnected	**Island Isolated**	**Labrador Isolated**	**L'Anse au Loup**	**Labrador Interconnected**
1	Sales+Losses for System Load Factor (MWh)	6,457,597	8,577	42,329	16,884	1,011,000
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	737,169	979	4,832	1,927	115,411
4	Coincident Peak at Generation (kW)	1,306,780	1,955	7,562	3,740	192,025
5	System Load Factor	56.41%	50.07%	63.90%	51.53%	60.10%

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Holyrood Capacity Factor

Line No.	1 Year	2 Net Production (kWh)	3 Net Capacity (MW)	4 Net Production Hours	5 Net Capacity Factor
1	2002 Actual	2,385,262,000	466	8,760	58.43%
2	2003 Actual	1,952,012,800	466	8,760	47.82%
3	2004 Actual	1,647,559,221	466	8,784	40.25%
4	2005 Actual	1,328,585,444	466	8,760	32.55%
5	2006 Forecast	1,024,179,500	466	8,760	25.09%
6	5-Year Average	1,667,519,793	466	8,765	40.83%

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Total System
Power Purchases

1	2	3	4	5	6	7	
Line No.		Total ($)	Production Demand ($)	Production & Transmission Energy ($)	Transmission Demand ($)	Rural Transmission Demand ($)	Distribution Demand ($)	Basis of Functional Classification
	Island Interconnected:							
1	DLP Secondary	-		-				Production - Energy (Same as RSP Sec Load Var)
2	AP Secondary	701,680		701,680				Production - Energy (Secondary)
3	Wheeling	446,587				446,587		Rural Transmission
4	Interruptible Demand	-	-	-				Production - Demand
5	Interruptible Energy	-		-				Production - Energy
6	Non-utility Generation	32,466,252	14,151,694	18,314,558				Energy: System Load Factor
7	**Subtotal**	**33,614,519**	**14,151,694**	**19,016,238**	**-**	**446,587**	**-**	
	Labrador Interconnected:							
8	CF(L)Co	2,537,795	1,012,531	1,525,264				Energy: System Load Factor
9	Other	555,403					555,403	
10	**Subtotal**	**3,093,198**	**1,012,531**	**1,525,264**	**-**	**-**	**555,403**	
	Isolated Systems:							
11	Mary's Harbour	42,846		42,846				Production - Energy
12	L'Anse au Loup	1,478,316		1,478,316				Production - Energy
13	Ramea Wind	119,395		119,395				Production - Energy
14	**Subtotal**	**1,640,557**	**0**	**1,640,557**	**0**	**0**	**0**	
15	**Total**	**38,348,274**	**15,164,225**	**22,182,059**	**-**	**446,587**	**555,403**	

Glenn H. Mitchell, CGA
Manager, Rates and Financial Planning
Newfoundland and Labrador Hydro

At the hearing into Newfoundland and Labrador Hydro's 2006 General Rate Application, the Rates Evidence will be adopted by Glenn H. Mitchell, CGA, Manager of Rates and Financial Planning of Newfoundland and Labrador Hydro.

A witness profile for Mr. Mitchell is as follows:

- Mr. Mitchell obtained his CGA designation in 1983 and is a member of the Certified General Accountants Association of Newfoundland and Labrador.

- He joined Newfoundland and Labrador Hydro in 1976 and has held various positions within Hydro in the Finance Division. Since 1998, Mr. Mitchell has held the position of Manager, Rates and Financial Planning.

- Mr. Mitchell testified before the Board of Commissioners of Public Utilities in 1999 regarding a Rate Application for Newfoundland and Labrador Hydro's Island Industrial Customers.

Rates

Evidence Outline

Page

List of Schedules:

1. OVERVIEW

On the Island Interconnected System, Hydro provides electricity service to Newfoundland Power ("NP"), and five Industrial Customers, namely, Abitibi-Consolidated Incorporated ("ACI") - Grand Falls, Corner Brook Pulp and Paper Limited ("CBPP"), North Atlantic Refining Limited ("NARL"), Aur Resources Inc. and ACI - Stephenville, which has ceased operations and requires a significantly reduced electricity supply. Hydro also serves 22,000 Rural Customers at the retail level on the Island Interconnected System.

On the Labrador Interconnected System, Hydro serves 9,000 Rural Customers and two non-regulated Industrial Customers, Iron Ore Company of Canada and Wabush Mines Inc. On the 21 isolated systems, including the L'Anse au Loup system, Hydro has 4,300 Rural Customers.

The Rates evidence will cover:

- The rates proposed for NP and the Island Industrial Customers;
- The rates proposed for all Rural Customers and the impacts on various customer classes;
- The status of the five-year implementation of uniform rates on the Labrador Interconnected System, as approved by the Board in Order No. P.U. 14 (2004);
- The treatment of Canadian Forces Base ("CFB") Goose Bay forecast revenues;
- The 2007 revenues based on existing and proposed rates;
- The projected Rate Stabilization Plan ("RSP") balances and their effect on customers' rates;

- Hydro's response to the NERA marginal cost study; and
- The Value of NP Generation Study.

2. RATES FOR NEWFOUNDLAND POWER

Rates charged to NP for firm power and energy are designed to recover the direct assigned costs from the Cost of Service ("COS") and NP's portion of the rural deficit. For the 2007 Test Year, NP's base rates have been increased to exclude NP's allocated portion of the CFB Goose Bay secondary revenue credit. This treatment is accompanied by a forecast payment of the same amount to NP through the RSP. This proposed treatment is covered in more detail in Section 5.

Hydro has calculated a firm service rate effective January 1, 2007 comprised of a demand charge of $7.49 per kW of billing demand per month, a first block energy charge of 19.17 mills per kWh and an end block energy charge of 89.07 mills per kWh. The calculation of NP's rate is summarized on Schedule 1.4 of the 2007 COS Study attached as Exhibit RDG-1 to the Cost of Service evidence.

This will result in an average base rate increase of 26.5% for NP and a 2007 revenue to cost ratio of 1.12. In conjunction with the elimination of the fuel rider, this represents a 6.6% net increase to NP, or an estimated 4.6% increase at the end consumer level.

Hydro is also proposing a rate for firming up secondary energy purchased from CBPP and resold to NP as firm energy of 8.19 mills per kWh as shown on Schedule 1.5 of the 2007 COS Study (Exhibit RDG-1).

The proposed utility rate schedule is found on Pages 1 through 4 of the "Rates Schedules 2007" section of this Application. The RSP adjustment effective January 1, 2007 has been updated to set the fuel rider to zero in accordance with Section D of the RSP rules, which is found on Page 14 of 53 of the "Rates Schedules 2007" section of this Application.

3. RATES FOR ISLAND INDUSTRIAL CUSTOMERS

Rates charged to Island Industrial Customers for firm power and energy are designed to recover the direct assigned costs from the COS.

Hydro has calculated a firm service rate effective January 1, 2007 comprised of a demand charge of $6.72 per kW of billing demand per month and an energy charge of 38.11 mills per kWh plus the appropriate specifically assigned charges as outlined in Table 1.

Table 1

Industrial Customer
Specifically Assigned Charges

	Annual Amount
ACI-Grand Falls Division	$1,282
ACI-Stephenville Division	$107,246
CBPP	$357,653
NARL	$154,282
Aur Resources Inc.	$166,674

This will result in an average base rate increase of 33.5% for Island Industrial Customers and a 2007 revenue to cost ratio of 1.0. In conjunction with the elimination of the fuel rider, this represents an 8.2% increase in Island Industrial Customers' net rates.

For non-firm service, Hydro is proposing to retain the previously approved calculation for the energy charge as outlined on Page 6 of 53 of the proposed rates schedules which are included with the Application under the "Rates Schedules 2007" Tab. Losses, which reduce the kWh being billed, have been updated to the average Island Interconnected System losses for the five years ending in 2005, from the previous period ending in 2002.

Hydro recommends that the rate for wheeling energy for ACI be 3.93 mills per kWh based on the calculation outlined on Schedule 1.6 of the 2007 COS Study (Exhibit RDG-1). This is unchanged from the current rate. Losses have been updated for the five years ending in 2005, as stated above for non-firm service.

The revised Industrial Customer rate schedules are found on Pages 5 through 7 of the "Rates Schedules 2007" section of this Application. Although the fuel rider for Industrial Customers will also be set to zero in accordance with the RSP rules, no RSP rate has been included on the Schedules at this time. A rate estimate will be provided, as part of the October fuel rider filing, and the actual 2007 rate will be available in January 2007.

4. RATES FOR RURAL CUSTOMERS

Rates proposed in this Application for Rural Customers reflect the approved policies for rural rates outlined in Order Nos. P.U. 7 (2002-2003) and P.U. 14 (2004), in that:

- Hydro is proposing rates for the fourth year of the approved five-year plan to establish uniform rates on the Labrador Interconnected System.
- The three-year plan to implement a demand-energy rate structure and eliminate the lifeline block rate for Isolated Rural General Service ("G.S.") Customers, as approved by the Board in Order No. P.U. 14 (2004), has been completed.
- In the same manner as current policy, rates for customers on the Island Interconnected, L'Anse au Loup and isolated systems (excluding Government departments) including preferential rate customers, will continue to be based on NP rates.

In Order No. P.U. 20 (2004), the Board approved Hydro's Rules and Regulations for Rural Customers and directed Hydro to file a report with its next General Rate Application ("GRA") documenting any changes to policies for automatic changes in rates for all of Hydro's customers whose rates and rate changes are tied to NP's rates. Section 16 of the Rules and Regulations for Rural Customers containing the policies for automatic rate changes has not changed, except for the elimination of references to Burgeo School, as noted in Section 4.1 of this evidence and is as approved by the Board in Order No. P.U. 20 (2004), (refer to Pages 30 and 31 of the "Rates Schedules 2007" section of this Application).

A footnote has been added to clarify the meaning of "average rate of change granted to Newfoundland Power". Where the change to NP's rates is based on a Hydro GRA, the average rate of change should refer to NP's base rate change, rather than the net rate change. For instance, in the current Application there is

a 6.6% increase in NP's net rates, and base rates are increasing by 26.5%. The difference is due to the removal of NP's fuel rider when a new test year is implemented. NP's customers, and Hydro's customers with rates the same as NP's, received an RSP and fuel rider increase of 4.7% in rates in July 2005 and another 4.8% increase in July 2006. Hydro's rural rates that are not the same as NP's were not affected by these RSP rate changes and are now subject to NP's base rate increase of 17.2% at the end consumer level (26.5% to NP).

For rate-setting purposes, there are three distinct groups of Rural Customers as follows:

- Island Interconnected and L'Anse au Loup Systems;
- Island and Labrador Isolated Systems; and
- Labrador Interconnected System.

4.1 Island Interconnected and L'Anse au Loup Systems

Rural Customers on the Island Interconnected and L'Anse au Loup Systems pay the same rates as Newfoundland Power customers. It is estimated that Hydro's proposed rates for NP will see a flow-through increase for these customers of approximately 4.6% effective January 1, 2007, compared to the rates in effect on December 31, 2006 (which include the forecast July 2006 RSP adjustment). The Burgeo School rate class, which previously received a preferential rate, is no longer active since the school premises have a new owner. There is no longer a requirement for a rate schedule for the Burgeo School. The 2007 revenue to cost ratio for the Island Interconnected and L'Anse au Loup Rural Customers is projected to be 0.70 and 0.48, respectively.

4.2 Isolated Systems

For rate-setting purposes, there are three customer groups in isolated systems. Rural Domestic Customers, excluding Government departments, pay the same rates as NP's customers for the basic customer charge and first block

consumption, but non-lifeline consumption is adjusted by the average base rate of change granted to NP.

In Order No. P.U. 14 (2004), the Board approved the phase-in of a demand-energy rate structure for G.S. customers in the isolated systems, including the consolidation of rate classes and the elimination of the lifeline block. The implementation was completed with the January 2006 rates approved by the Board in Order No. P.U. 37 (2005).

Government rate classes in isolated systems pay cost-based rates and the 2007 cost recovery level for Government departments remains 100%.

The 2007 revenue to cost ratio for customers on the Island and Labrador isolated systems, excluding L'Anse au Loup, is projected to be 0.17 and 0.29 respectively, or a combined revenue to cost ratio of 0.26.

4.2.1 Isolated Rural Domestic Customers – Excluding Government Departments

In Order No. P.U. 14 (2004), the Board directed the implementation of a Seasonal Lifeline Block, comprised of two blocks adjusted for seasonal consumption patterns that are unchanged in this Application. Isolated Rural Domestic Customers, excluding Government departments, pay the same rates as Newfoundland Power customers for the lifeline block consumption and rates charged for consumption above this amount are automatically adjusted by the average base rate of change granted to NP. Based on this policy, it is estimated that Hydro's current proposal for NP will see a flow-through increase for these customers of approximately 8.1% effective January 1, 2007 compared to the rates in effect on December 31, 2006 (which includes the forecast July 2006 RSP adjustment).

4.2.2 Isolated Rural Domestic Customers – Government Departments[1]

Government departments are charged rates based on full cost recovery. Based on the combined costing for both Government and Non-Government Domestic Customers, the rate for Government Departments - Domestic (1.2G) will increase on average by 20% effective January 1, 2007. Further details on the rate impacts for these customers are outlined in Schedule I, Page 1 of 5.

4.2.3 Isolated Rural G.S. Customers – Excluding Government Departments

As outlined in Section 16(c)(ii) of the Rules and Regulations for Rural Customers, and as approved by the Board in Order No. P.U. 20 (2004), rates for Isolated Rural G.S. Customers, excluding Government departments, are automatically adjusted by the average base rate of change granted to NP in any General Rate Application. Hydro is proposing 2007 rates that are based on these criteria. Rates for small and large G.S. customers will increase on average by 17.2% effective January 1, 2007. The 17.2% reflects the total increase since the 2004 Test Year comparable with the increase to NP's customers through both the RSP and this Rate Application:

2005	4.7%
2006	4.8%
2007	4.6%

Further details on the rate impacts for these customers are outlined in Schedule I, Pages 2 and 3 of 5.

4.2.4 Isolated Rural G.S. Customers – Government Departments

Government departments are charged rates based on full cost recovery. Based on the combined costing for both Government and Non-Government G.S. Customers, the rate for small G.S. – Government Departments (2.1G) will increase by 27% effective January 1, 2007. The rate for large G.S. Government

[1] Excludes hospitals and schools as outlined in P.U. 7 (2002-2003), p. 130

Departments (2.2G) will increase on average by 25% effective January 1, 2007. Further details on the rate impacts for these customers are outlined in Schedule I, Pages 4 and 5 of 5.

4.2.5 Isolated Rural Street and Area Lighting – Excluding Government Departments

Isolated Rural street and area lighting, excluding Government departments, is based on the same rates as Newfoundland Power customers. Based on this policy, it is estimated that Hydro's current proposal for NP will see a flow-through increase of approximately 4.6% effective January 1, 2007, compared to the rates in effect on December 31, 2006 (which include the forecast July 2006 RSP adjustment).

4.2.6 Isolated Rural Street and Area Lighting – Government Departments

Government departments are charged rates based on full cost recovery. Based on the combined costing for both Government and Non-Government street and area lighting service, rates will increase on average by 9% effective January 1, 2007.

4.3 Labrador Interconnected System

Based on the 2007 COS Study, filed as Exhibit RDG -1, Hydro is proposing that Labrador Interconnected rural rates increase, on average, by 8.5%. The application of the overall rate increase to specific rate classes is discussed below.

In Order No P.U. 14 (2004), the Board approved a five-year plan to implement uniform rates for Labrador Interconnected Customers using the following cost recovery targets:

Domestic	95%
G.S.	105% -115%
Street Lighting	100%

The third year of the phased-in implementation was 2006, and Hydro proposes to complete the implementation of uniform rates on schedule, with 2007 and 2008 rates.

Table 2 outlines Hydro's proposal for the phase-in of rates on the Labrador Interconnected System.

Table 2

Target Cost Recoveries
Labrador Interconnected System

Customer	Cost Recovery at Dec/06 Rates	Target Cost Recovery	Proposed Cost Recovery (1) 2007	Proposed Cost Recovery (1) 2008
Happy Valley/Goose Bay				
Domestic	94%	95%	94%	95%
General Service 2.1	99%	109%	99%	109%
General Service 2.2	100%	109%	109%	109%
General Service 2.3	103%	110%	110%	110%
General Service 2.4	107%	110%	110%	110%
Street and Area Lighting	91%	100%	91%	100%
Labrador West				
Domestic	65%	95%	78%	95%
General Service 2.1	80%	109%	94%	109%
General Service 2.2	100%	109%	109%	109%
General Service 2.3	103%	110%	110%	110%
General Service 2.4	107%	110%	110%	110%
Street and Area Lighting	87%	100%	91%	100%

(1) The target rate level is based on the approved recovery levels for each rate class, and ensuring the total Labrador Interconnected rural revenues agree with the total Labrador Interconnected Revenue Requirement.

The proposed phase-in of uniform rates outlined above limits average rate increases for each class to a maximum of 20% in years 2007 and 2008.

The CFB Goose Bay credit has been applied to 2004, 2005, and 2006 Labrador Interconnected rates as directed by the Board. The proposed application for 2007 and 2008 is illustrated in Table 3.

Table 3

CFB Goose Bay Secondary Revenue Credit

Description	2007 Test Year	2008 Proposed
Secondary Credit Available	$4,410,162	$4,410,162
Assigned to Rural Deficit	$3,155,102	$4,410,162
Assigned to Labrador Interconnected	$1,255,060	0
Percentage assigned to Rural Deficit	71.5%	100%

Based on the target cost recovery levels outlined in Table 2, the proposed rates schedules for 2007 and 2008 are included in the schedule of rates under the "Rates Schedules" Tabs of the Application and the 2007 customer impacts are shown in Schedule II attached to this evidence. The customer impacts for 2008 are detailed in Schedule III attached to this evidence. The 2007 revenue to cost ratio for Labrador Interconnected Customers is 1.28.

5. TREATMENT OF CFB GOOSE BAY REVENUES

In Order No. P.U. 7 (2002-2003), the Board directed Hydro to phase in the application of the revenue credit for secondary energy sales to CFB Goose Bay to the rural deficit. The 2007 Test Year is year four of that phase-in. As shown in Table 3, the forecast for 2007 is a net revenue credit of $4.4 million of which $3.1 million is to be applied to the rural deficit and $1.3 million applied to the Labrador Interconnected System. In 2008 the full amount of $4.4 million will be applied to the rural deficit.

For 2007, Hydro is proposing a change to the treatment of NP's allocated share of the CFB Goose Bay Revenue Credit. In the past, the CFB Goose Bay credit has reduced Hydro's base rates. However, there would be a significant negative effect on Hydro's regulated earnings if the secondary energy sales or forecast fuel prices do not materialize. To mitigate this risk, Hydro is proposing that, in the future, NP's portion of the CFB Goose Bay credit (received through a lower rural deficit) would be removed from NP's base rates.

As secondary revenues materialize, NP's portion of the credit would be refunded to NP through its Rate Stabilization Plan based on actual secondary revenue. NP's allocated share of the actual sales revenue, less allocated cost, will be credited to the RSP monthly. The detailed calculation is found in Section 1.4 of the RSP Regulations, attached under the "Rates Schedules" Tab, Page 11 of 53. Removing the revenue credit from NP's revenue requirement and the annual forecast of this RSP activity of $2.8 million for NP is shown on the 2007 Cost of Service Study, Schedule 1.2, Page 1 of 6.

It is proposed that Labrador Interconnected Customers will still receive the credit (through a lower rural deficit allocation) in base rates. This treatment is recommended since there is no Labrador RSP and Hydro is prepared to accept the risk regarding the Labrador portion of the credit, as it is substantially lower than for NP.

6. REVENUES AND RSP BASED ON EXISTING AND PROPOSED RATES

Table 4 summarizes the projected 2007 revenues and RSP based on the proposed and existing rates.

Table 4

Comparison of Revenues and RSP at Existing and Proposed Rates 2007

	Dec. 31/06 Existing Rates	Jan 1/07 Proposed Rates	Change $	Change %
Newfoundland Power				
- Firm	$260,909,378	$330,014,512	$69,105,134	26.5%
- RSP	80,218,240	33,655,920	(46,562,320)	
Total Firm NP	$341,127,618	$363,670,432	$22,542,814	6.6%
Industrial				
- Firm	$33,146,380	$44,256,819	$11,110,439	33.5%
- RSP	13,816,935	6,564,162	(7,252,773)	
Total Firm Industrial	$46,963,315	$50,820,981	$3,857,666	8.2%
Industrial Non-Firm	494,768	494,768	0	0.0%
Industrial Wheeling	42,051	42,051	0	0.0%
Rural Island Interconnected	$37,974,760	$39,721,329	$1,746,569	4.6%*
Rural Isolated Systems	$7,677,758	$8,711,047	$1,033,289	13.5%
L'Anse au Loup	$1,716,347	$1,795,300	$78,953	4.6%*
Rural Labrador Interconnected				
Domestic	$7,698,115	$8,473,218	$775,103	10.1%
GS 2.1 0 - 10 kW	245,650	257,753	12,103	4.9%
GS 2.2 10 - 100 kW	1,892,158	2,068,026	175,868	9.3%
GS 2.3 110 - 1000 kVA	2,204,431	2,350,352	145,921	6.6%
GS 2.4 Over 1000 kVA	1,162,287	1,196,600	34,313	3.0%
Street & Area Lighting	223,942	228,172	4,230	1.9%
Labrador Interconnected Total	$13,426,583	$14,574,121	$1,147,538	8.5%
CFB Goose Bay - Secondary	$4,548,798	$4,548,798	$0	0.0%
Total	$453,971,998	$484,378,827	$30,406,829	6.7%

* Estimated increase resulting from Newfoundland Power's subsequent pass-through hearing.

7. RATE STABILIZATION PLAN

In Order No. P.U. 14 (2004), the Board directed that Hydro file a report on the operation of the RSP for the period January 1, 2004 to December 31, 2005. This report was filed with the Board on June 30, 2006. The report indicates that, with the most recent changes to the Plan resulting from the Board's Order No. P.U. 40 (2003) and as agreed to among the parties to the hearing, the RSP is functioning properly as customers' balances are reduced significantly and there is a more effective price signal. The fuel rider component of the Plan has been particularly effective in this regard. Hydro has suggested several changes to the Plan, including the addition of a provision regarding variations in diesel fuel costs. Hydro anticipates that the conclusions and proposals contained in the RSP report will be reviewed with its major customers during the mediation sessions resulting from this GRA filing.

The forecast for both the historic and current RSP balances and the resulting rates in 2007 are as follows:

Table 5

Forecast RSP			
Forecast RSP Balances – December 31, 2006	**Historic RSP $ million**	**Current RSP $ million**	**Total $ million**
Newfoundland Power	52.6	(8.6)	44.0
Industrial Customers	18.5	(12.0)	6.5
Hydraulic Variation		(17.2)	(17.2)
Total	71.1	(37.8)	33.3
Forecast RSP Recovery Rates Based on above Plans	**2007 Recovery (mills/kWh)**	**2007 Recovery (mills/kWh)**	**Total (mills/kWh)**
Newfoundland Power	7.1	(.3)	6.8
Island Industrials	22.7	(15.4)	7.3

It should be noted that these forecast recovery rates do not include a fuel rider, since fuel riders are set to zero with the implementation of a new test year, in accordance with the existing RSP regulations.

As stated in Section 5, Hydro is proposing a change in the application of the CFB Goose Bay credit to the rural deficit as it affects NP, and is proposing to adjust the RSP rules to include, for NP, revenue collected from secondary energy sales to CFB, less the cost of those sales. Hydro is also proposing to adjust the footnote in the RSP Rules which refers to Hydro's Test Year Cost of Service Study to include any revised Test Year Cost of Service Study arising from the application of Hydro's proposed automatic adjustment mechanism. The Schedule of RSP Rules and Regulations, including the provision for the CFB Goose Bay credit, is attached as Pages 8 to 16 of 53 of the "Rates Schedules 2007".

8. MARGINAL COST STUDY

As outlined in the Board's Order No. P.U. 14 (2004), Hydro was required, by June 30, 2006, to file a marginal cost study. The study was to be used to address several issues raised during the 2003 GRA, including the level of the demand rate for NP and consideration of rate options. The findings of the marginal cost study, which was completed by NERA Economic Consulting, include:

- marginal capacity costs are reduced to virtually zero, based on current fuel price forecasts; and
- marginal energy costs are based on the cost of fuel at Holyrood.

Hydro recommends retaining an embedded cost methodology for determining rates. Hydro also believes it is important to maintain some stability in the level of the demand charge for both Newfoundland Power and Industrial Customers and that there not be wide fluctuations based solely on marginal costs which are leveraged to fuel price forecasts.

9. VALUE OF NP GENERATION STUDY

As outlined in the Board's Order No. P.U. 14 (2004), Hydro was required to commission an independent study of the treatment of NP's generation. The study was to assess the value of NP's generation to the system and make recommendations on how the generation should be accounted for, both operationally and financially, in the COS study and rate design. This study, "Review of Newfoundland and Labrador Hydro's Treatment of Newfoundland Power's Generation" which was completed by Stone & Webster Consultants, was filed with the Board on February 7, 2006 and is also attached to this Application as Exhibit RDG-2.

Hydro's perspective on the treatment of NP generation from an operational and financial point of view is outlined on Page 20 of the study.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Government Departments
Domestic Diesel 1.2G

Dollars Change in Annual Costs				Percentage Change in Annual Costs		
				17% to 19%	19% to 21%	Total
$ 150	to	$ 1,000		4.76%	4.76%	9.52%
$ 1,000	to	$ 2,000			38.10%	38.10%
$ 2,000	to	$ 3,000			33.33%	33.33%
$ 3,000	to	$ 4,000			4.76%	4.76%
$ 4,000	to	$ 5,400			14.29%	14.29%
			Total:	**4.76%**	**95.24%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 21 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
General Service Diesel 2.1D

Dollars Change in Annual Costs				Percentage Change in Annual Costs: 17% to 17.25%
$ 30	to	$ 100		28.45%
$ 100	to	$ 200		23.66%
$ 200	to	$ 400		23.66%
$ 400	to	$ 800		18.03%
$ 800	to	$ 1,550		6.20%
Total:				**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 355 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
General Service Diesel 2.2D

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 16.75% to 17.25%
$ 75 to $ 1,000	30.77%
$ 1,000 to $ 2,000	32.05%
$ 2,000 to $ 4,000	25.64%
$ 4,000 to $ 8,300	11.54%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 78 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Government Departments
General Service 2.1G

Dollars Change in Annual Costs	Percentage Change in Annual Costs					
	14 % to 18%	18% to 22%	22% to 25%	25% to 26%	26% to 28%	Total
$ 70 to $ 1,000	8.33%	8.33%	10.42%	10.42%		37.50%
$ 1,000 to $ 2,000				2.08%	39.58%	41.67%
$ 2,000 to $ 4,000					12.50%	12.50%
$ 4,000 to $ 6,000					6.25%	6.25%
$ 6,000 to $ 7,400					2.08%	2.08%
Total:	**8.33%**	**8.33%**	**10.42%**	**12.50%**	**60.42%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 48 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Government Departments
General Service Diesel 2.2G

Dollars Change in Annual Costs	Percentage Change in Annual Costs					
	19 % to 22%	22% to 24%	24% to 26%	26% to 28%	28% to 30%	Total
$ 2,200 to $ 5,000	13.04%	34.78%	8.70%			56.52%
$ 5,000 to $ 8,000			8.70%	13.04%		21.74%
$ 8,000 to $ 12,000			4.35%		13.04%	17.39%
$ 12,000 to $ 14,000						0.00%
$ 14,000 to $ 18,500				4.35%		4.35%
Total:	**13.04%**	**34.78%**	**21.74%**	**17.39%**	**13.04%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 23 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Happy Valley/Goose Bay
General Service 2.2HV

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 9% to 10%
$ 0 to $ 150	39.43%
$ 150 to $ 300	31.86%
$ 300 to $ 500	18.61%
$ 500 to $ 750	7.57%
$ 750 to $ 1,125	2.52%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 317 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Happy Valley/Goose Bay
General Service 2.3HV

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 6.5 % to 8%
$ 250 to $ 750	38.64%
$ 750 to $ 1,500	40.91%
$ 1,500 to $ 2,500	11.36%
$ 2,500 to $ 3,500	4.55%
$ 3,500 to $ 5,000	4.55%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 44 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Happy Valley/Goose Bay
General Service 2.4HV

	Percentage Change in Annual Costs
Dollars Change in Annual Costs	**2.8 % to 3%**
$ 3,000 to $ 3,500	50.00%
$ 23,000 to $ 24,000	50.00%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 2 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
Domestic 1.1W

Dollars Change in Annual Costs				Percentage Change in Annual Costs					
				14 % to 16%	16% to 17%	17% to 18%	18% to 19%	19% to 20%	Total
$	0	to $	100	2.96%	2.66%	3.22%	11.19%	3.65%	23.69%
$	100	to $	200					31.76%	31.76%
$	200	to $	300					40.61%	40.61%
$	300	to $	375					3.57%	3.57%
$	375	to $	500					0.37%	0.37%
		Total:		**2.96%**	**2.66%**	**3.22%**	**11.19%**	**79.96%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 3,753 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
General Service 2.1W

Dollars Change in Annual Costs	Percentage Change in Annual Costs					
	0 % to 5%	5% to 10%	10% to 15%	15% to 18%	18% to 20%	Total
$ 0 to $ 100	31.30%	7.63%	21.37%	12.98%		73.28%
$ 100 to $ 200				6.11%	11.45%	17.56%
$ 200 to $ 275					5.34%	5.34%
$ 275 to $ 325					1.53%	1.53%
$ 325 to $ 425					2.29%	2.29%
Total:	**31.30%**	**7.63%**	**21.37%**	**19.08%**	**20.61%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 131 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
General Service 2.2W

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 9% to 10%
$ 0 to $ 150	31.87%
$ 150 to $ 300	30.28%
$ 300 to $ 500	21.51%
$ 500 to $ 700	12.35%
$ 700 to $ 925	3.98%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 251 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
General Service 2.3W

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 6.5% to 7.25%
$ 350 to $ 700	26.47%
$ 700 to $ 1,000	26.47%
$ 1,000 to $ 1,750	29.41%
$ 1,750 to $ 3,000	13.24%
$ 3,000 to $ 3,300	4.41%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 68 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
General Service 2.4W

Dollars Change in Annual Costs	Percentage Change in Annual Costs: 2.9% to 3%
$ 1,400 to $ 1,500	50.00%
$ 1,500 to $ 3,600	50.00%
Total:	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 2 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Happy Valley/Goose Bay
Domestic 1.1HV

Dollars Change in Annual Costs				Percentage Change in Annual Costs		
				2% to 3%	3% to 4%	Total
$	0	to $	10	7.53%	2.76%	10.30%
$	10	to $	20	19.32%		19.32%
$	20	to $	30	38.00%		38.00%
$	30	to $	50	30.89%		30.89%
$	50	to $	80	1.49%		1.49%
			Total:	**97.24%**	**2.76%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 3,079 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Happy Valley/Goose Bay
General Service 2.1HV

Dollars Change in Annual Costs	Percentage Change in Annual Costs					
	8 % to 10%	10% to 12%	12% to 15%	15% to 18%	18% to 20%	Total
$ 0 to $ 75	16.81%	18.58%	13.72%	12.39%	8.41%	69.91%
$ 75 to $ 150	24.78%					24.78%
$ 150 to $ 225	3.10%					3.10%
$ 225 to $ 300	1.33%					1.33%
$ 300 to $ 350	0.88%					0.88%
Total:	**46.90%**	**18.58%**	**13.72%**	**12.39%**	**8.41%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 226 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Labrador West
Domestic 1.1W

Dollars Change in Annual Costs	Percentage Change in Annual Costs					
	9 % to 12%	12% to 15%	15% to 18%	18% to 19%	19% to 21%	Total
$ 0 to $ 100	2.69%	3.33%	5.17%	6.18%	4.02%	21.39%
$ 100 to $ 200					13.96%	13.96%
$ 200 to $ 300					41.50%	41.50%
$ 300 to $ 450					22.51%	22.51%
$ 450 to $ 610					0.64%	0.64%
Total:	**2.69%**	**3.33%**	**5.17%**	**6.18%**	**82.63%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 3,754 customers.

Newfoundland and Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Labrador West
General Service 2.1W

Dollars Change in Annual Costs	Percentage Change in Annual Costs		
	15% to 18%	18% to 20%	Total
$ 0 to $ 100	37.41%	29.77%	67.18%
$ 100 to $ 200	22.14%		22.14%
$ 200 to $ 275	6.87%		6.87%
$ 275 to $ 325	1.53%		1.53%
$ 325 to $ 450	2.29%		2.29%
Total:	**70.23%**	**29.77%**	**100.00%**

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Note: This analysis is based on 2005 usage patterns and an average of 131 customers.

Annual Report on Key Performance Indicators

Newfoundland and Labrador Hydro

Pursuant to Order No. P.U. 14 (2004)

Newfoundland and Labrador Hydro

April 2006

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1.0 Introduction

The Board of Commissioners of Public Utilities ("the Board"), in Order No. P.U. 14 (2004) ("PU14"), required Hydro to file with its annual financial report, commencing in 2004, appropriate historic, current and forecast comparisons of reliability, operating, financial and other key targeted outcomes/measures, including the additional key performance indicators (KPIs) accepted in that decision. This report is filed in continuing compliance with that order.

There are three main sections of the report. The first section contains details of the KPI results for the past five years ending December 31, 2005. Bar charts for each KPI are presented, along with related commentary. In the next section, information is provided relating to Hydro's 2006 KPI targets/budgets for the KPIs. The final section contains a **Data Table of Key Performance Indicators,** outlining the following:

1. The KPI identification.
2. The basic definition of the measure.
3. The unit of measure.
4. The historical results for each of the five years ending December 31, 2005
5. Targets/Budgets for the 2006 year.

2.0 Key Performance Indicator Results

Performance in 2005 Versus 2004

In 2005 Hydro recorded an overall improvement in its operating performance relative to 2004 as measured through its various reliability KPIs: forced outages were lower in 2005 and there was an improvement in Hydro's SAIDI and SAIFI for the operation of Hydro's transmission and distribution assets. Because of its importance to Hydro as an additional internal measure of reliability, Under Frequency Load Shedding (UFLS) has been added to the 2005 KPI report. The number of UFLS events was lower in 2005 meaning there were fewer interruptions of customer load due to generator trips or significant generation/load imbalances. As expected, the weighted capability factor had lower performance in 2005 owing to the asbestos abatement program at Holyrood.

In terms of operating KPIs, in 2005 there was an improvement in the hydraulic conversion factor over 2004 coupled with a decrease in the thermal conversion factor. These operating results were largely the result of high reservoir conditions, high production levels from hydroelectric assets and lower load conditions late in the year owing to warm weather and the loss of the Abitibi Consolidated newsprint mill load on the west coast. As expected, Hydro's controllable unit cost increased in 2005 due to higher operating expenses, notably for system equipment maintenance. This was coupled with a decrease in overall energy deliveries caused by lower sales to customers in the pulp and paper industry. Hydro's overall satisfaction rating by its rural customers remained consistent with previous years[1].

[1] Hydro's customer satisfaction index number was higher in 2005. However, the increase cannot be considered significant because Hydro changed the wording in a number of attributes that may have influenced customer responses.

Performance in 2005 Versus 2005 Target

In Hydro's 2004 KPI report, performance or budget targets for 2005 were set for the applicable KPIs. Reliability targets were generally targeted as a 20% improvement against the current five year historical base period. The operating and financial KPIs were targeted against budget values while customer satisfaction was targeted for continuous improvement. Table 1 presents the target and the results for 2005 for the applicable KPIs.

Table 1: Hydro's KPI Targets and Operating Results for 2005

KPI	Units	2005 Target	2005 Results	Target Achieved
Capability Factor	%	84.3	84.9	Yes
DAFOR	%	2.2	2.1	Yes
TX SAIDI	Minutes/Point	73[2]	57[3]	Yes
TX SAIFI	Number/Point	1.6[3]	1.03[4]	Yes
TX SARI	Minutes/Outage	47[3]	55[4]	No
DS SAIDI	Hours/Customer	10	9	Yes
DS SAIFI	Number/Customer	6.2	5.8	Yes
Hydraulic CF	GWh/MCM	0.433	0.435	Yes
Thermal CF	KWh/BBL	630	622	No
Controllable Unit Cost	$/MWh	$12.57	$12.49	Yes
Customer Satisfaction	Max=10	8.0	8.2	Yes

On generation and distribution reliability KPI measures, Hydro's operations achieved or bettered the performance targets that were established for 2005. The operating performance for transmission during 2005 was mixed relative to Hydro's targets: while the targets for a lower number of outages and total interruption time per delivery point was achieved, the restoration index value exceeded Hydro's target. Reflecting favourable hydrology and lower loadings at the Holyrood thermal plant, Hydro exceeded its target for the hydraulic conversion rate while its thermal conversion rate was below target. On

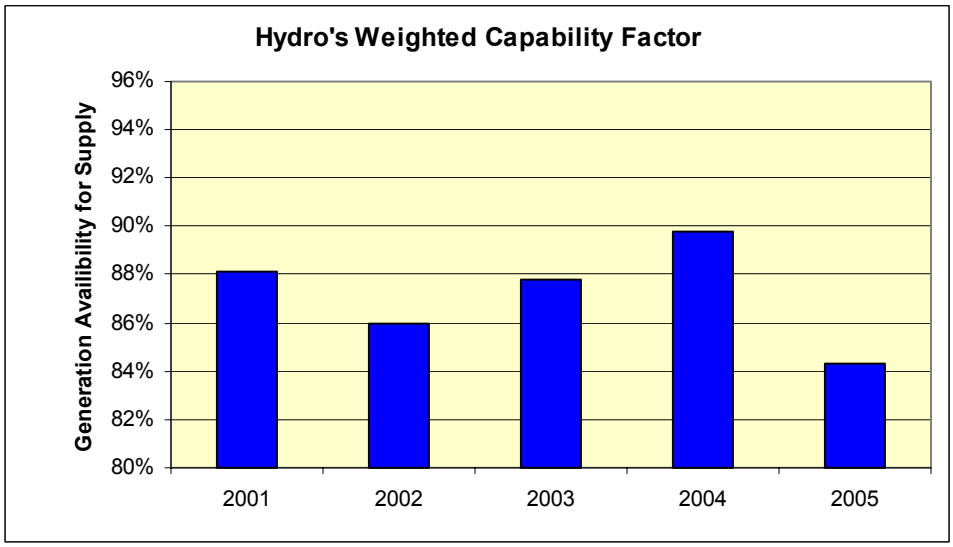
[2] Transmission reliability targets were set on unplanned outages only.
[3] The transmission reliability indicator shown is for unplanned outages.

KPI measures tracking Hydro's controllable unit cost and customer satisfaction, Hydro's operating performance in 2005 exceeded it established targets.

A series of five year historical charts and related commentary for each KPI follows.

KPI Historical Graphs

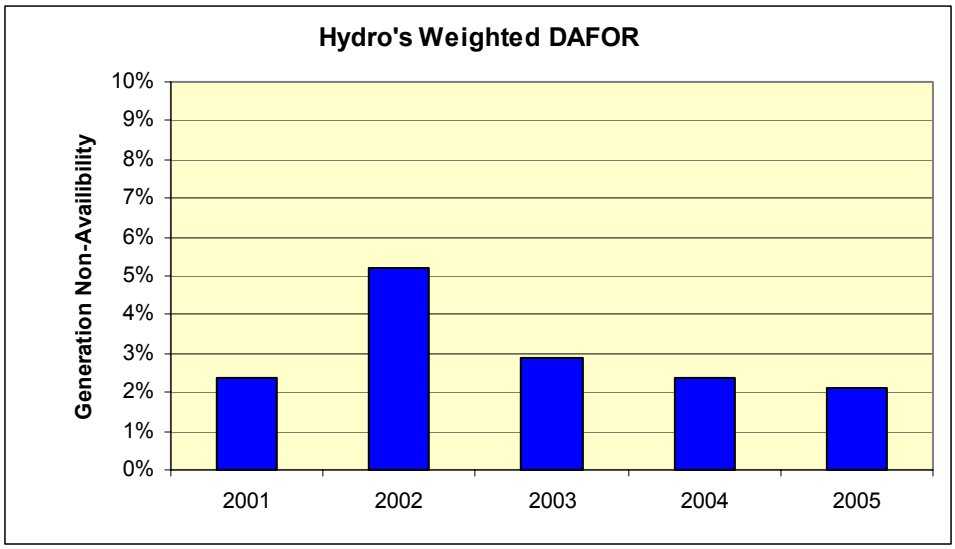
Reliability KPI: Generation



Weighted Capability Factor (WCF) is a reliability KPI for generation assets that includes Hydro's thermal and hydroelectric generation assets on the Interconnected Island system. This KPI measures the percentage of the time that a unit or groups of units are available to supply some or the entire load on the Island Interconnected System. The factor is weighted to reflect the difference in generating unit sizes such that larger units have a greater impact on this measure.

In 2005 Hydro's WCF was 84.3%. This performance was lower than historical range of 86% to 90% due to the asbestos abatement program at Holyrood and the associated unit unavailability at certain times. The abatement program will continue during 2006 following which WCF can be expected to return to the higher reliability levels.

Reliability KPI: Generation

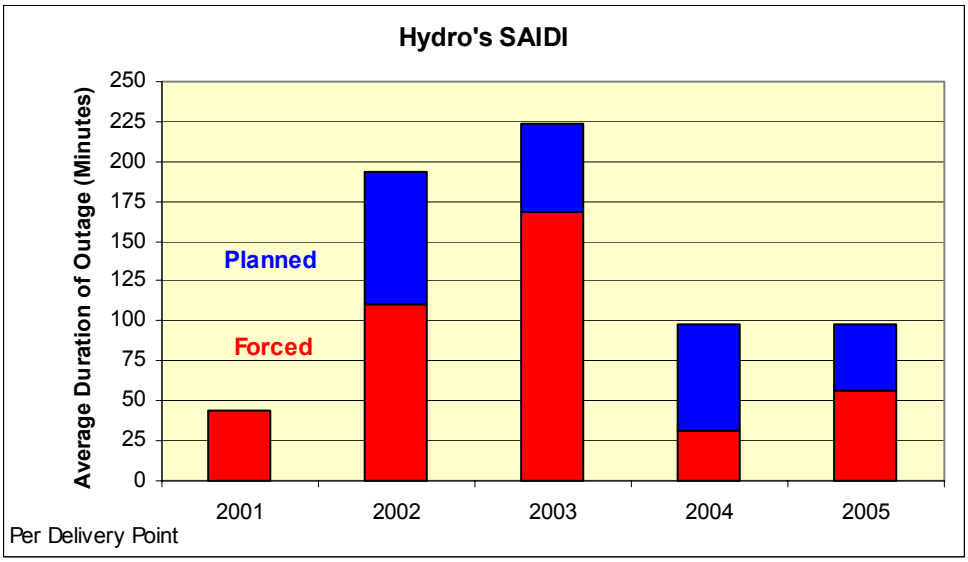


Weighted DAFOR* is a reliability KPI for generation assets that includes Hydro's thermal and hydroelectric generation assets on the Interconnected Island system. DAFOR measures the percentage of the time that a unit or group of units are unable to generate at its Maximum Continuous Rating (MCR) due to forced outages. The weighting is to reflect the differences in generating unit sizes.

In 2005 Hydro's weighted DAFOR was 2.1%, reflecting a continuing positive trend in reliability performance.

* DAFOR = Derating Adjusted Forced Outage Rate

Reliability KPI: Transmission

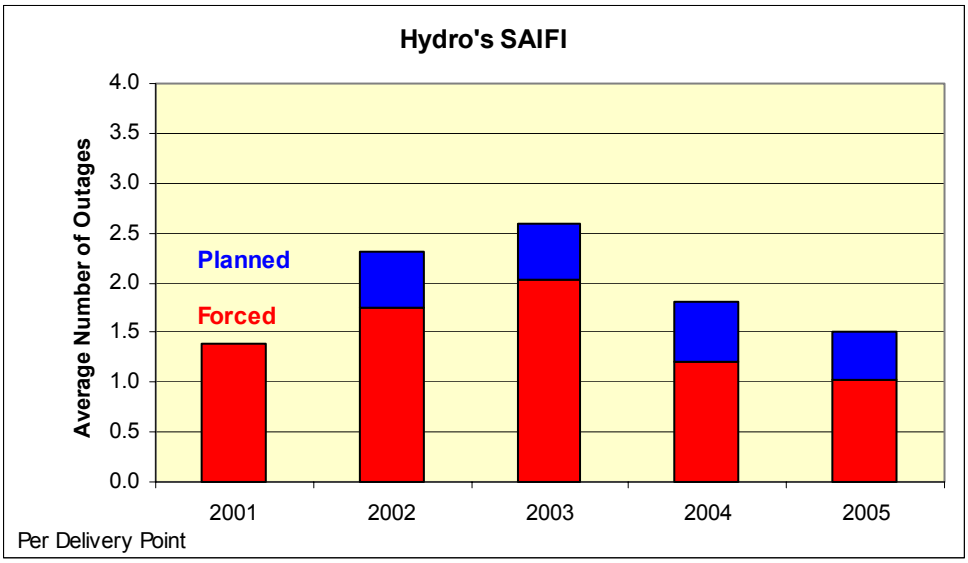


Transmission SAIDI* is a reliability KPI for bulk transmission assets and measures the average duration of outages in minutes per delivery point.

Prior to 2002, the SAIDI statistic excluded planned outages and is therefore not comparable to statistics for the past four years that now reflect planned and unplanned outages. In 2005 Hydro's transmission SAIDI averaged 99 minutes per bulk delivery point. This performance maintains a measurable reduction in outage duration relative to 2002 and 2003. The unplanned outage duration of 57 minutes deteriorated from 2004 but also remains significantly below the high durations experienced in 2002 and 2003. The 2005 performance was most significantly affected by severe weather in December preventing crews to access a damaged line supplying the Bonne Bay area.

* SAIDI = System Average Interruption Duration Index

Reliability KPI: Transmission



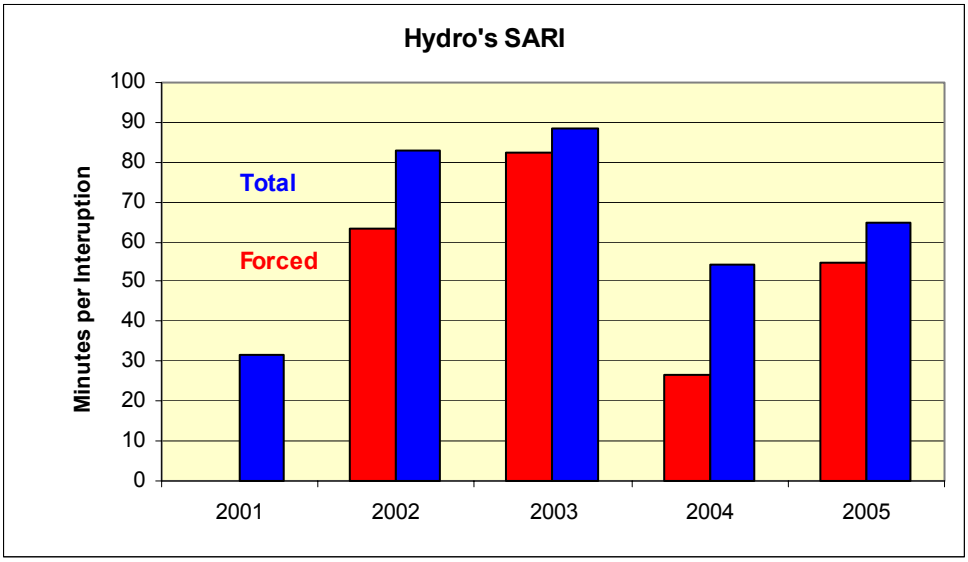
Transmission SAIFI* is a reliability KPI for bulk transmission assets and it measures the average number of sustained outages per delivery point.

Prior to 2002, the SAIFI statistic excluded planned outages and is therefore not comparable to statistics for the past four years that now reflect planned and unplanned outages. In 2005 Hydro's transmission SAIFI was an average of 1.5 outages per bulk delivery point, reflecting continuing improvement in reliability performance since 2003.

The number of forced outages per delivery point was reduced to 1.03 in 2005. This significant reduction was due to a substantial reduction in the number interruptions to transmission lines on the Great Northern Peninsula.

* SAIFI = System Average Interruption Frequency Index

Reliability KPI: Transmission

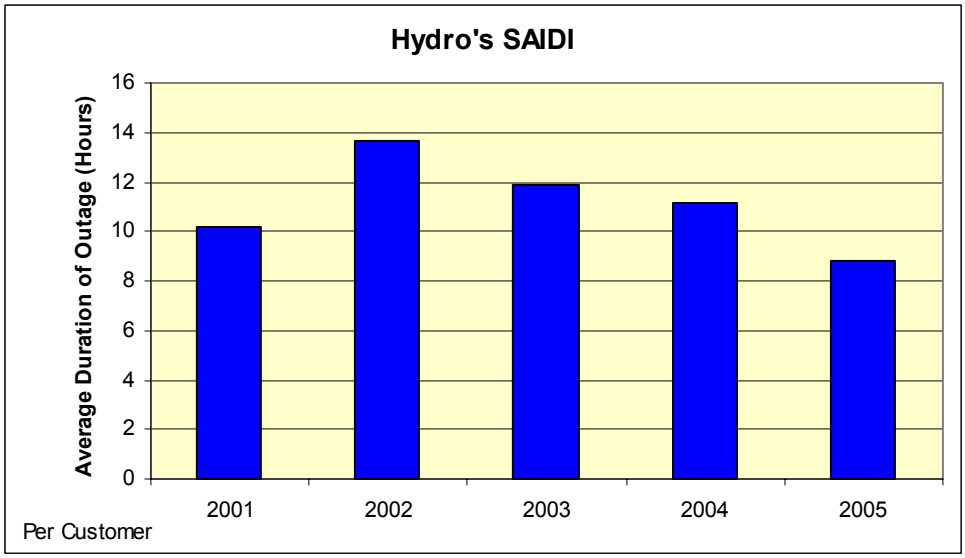


Transmission SARI* is a reliability KPI for bulk transmission assets and it measures the average duration per transmission interruption.

Prior to 2002, the SARI statistic excluded planned outages. In order to provide comparable statistics the unplanned SARI is also provided in the chart. In 2005 Hydro's total transmission SARI was 65 minutes per interruption, representing an increase in outage duration. The unplanned SARI was 55 minutes. Compared to the applicable historical period, SARI performance in 2005 represented an improvement in reliability performance. The deterioration in the 2005 SARI is attributable to a lower percentage improvement in the frequency of interruptions than the total interruption time.

* SARI = System Average Restoration Index

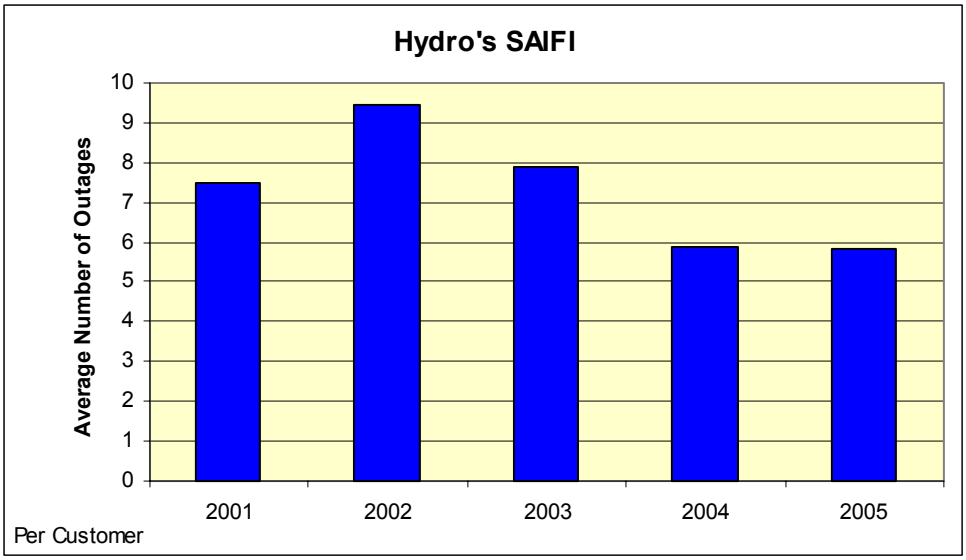
Reliability KPI: Distribution



Distribution SAIDI is a reliability KPI for distribution service and it measures the average cumulative duration of outages per customer served during the year.

In 2005 Hydro's distribution SAIDI was approximately 9 hours. Hydro's performance in 2005 reflected a continuing improvement in reliability since 2003.

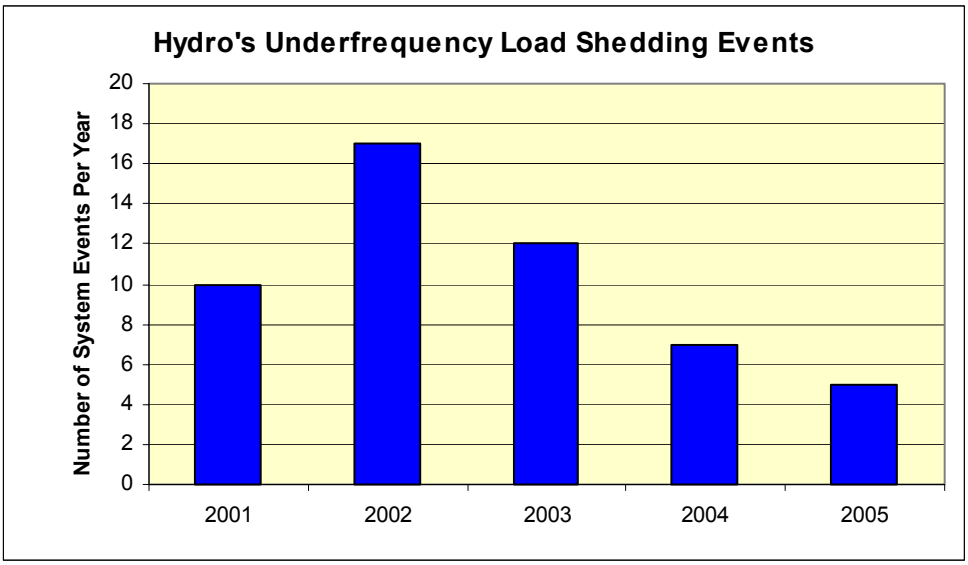
Reliability KPI: Distribution



Distribution SAIFI is a reliability KPI for distribution service and it measures the average cumulative number of sustained interruptions per customer per year.

In 2005 Hydro's distribution SAIFI was approximately 6 interruptions per year. Hydro's performance in 2005 represented a continuation of Hydro's best performance on this reliability measure since 2001.

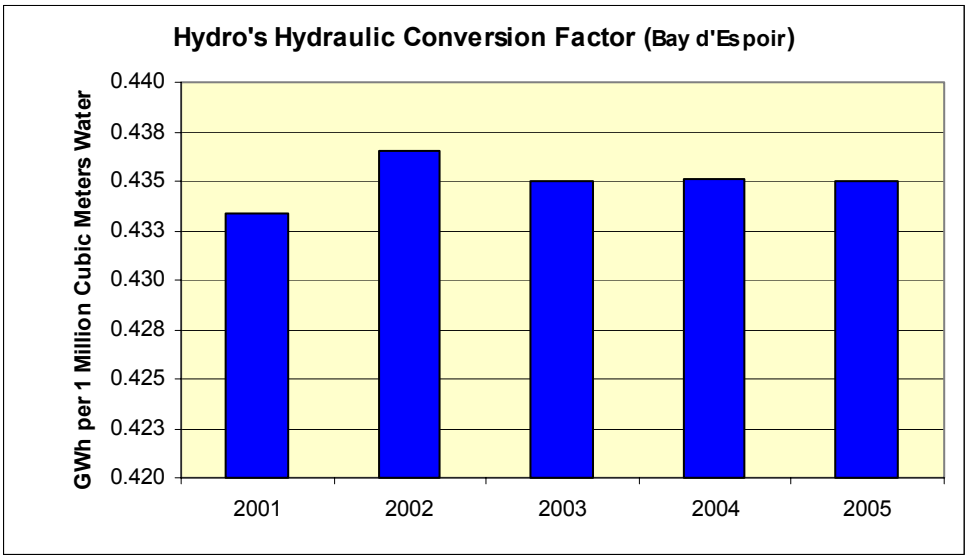
Reliability KPI: Under Frequency Load Shedding



The number of Underfrequency Load Shedding (UFLS) events is a reliability KPI that measures the number of events in which shedding of a customer load is required to counteract a generator trip. Customers are load shed automatically depending upon the generation lost.

In 2005, the number of UFLS events was five events. This was a significant improvement from the previous years performance and reflects a continuing improvement since 2002.

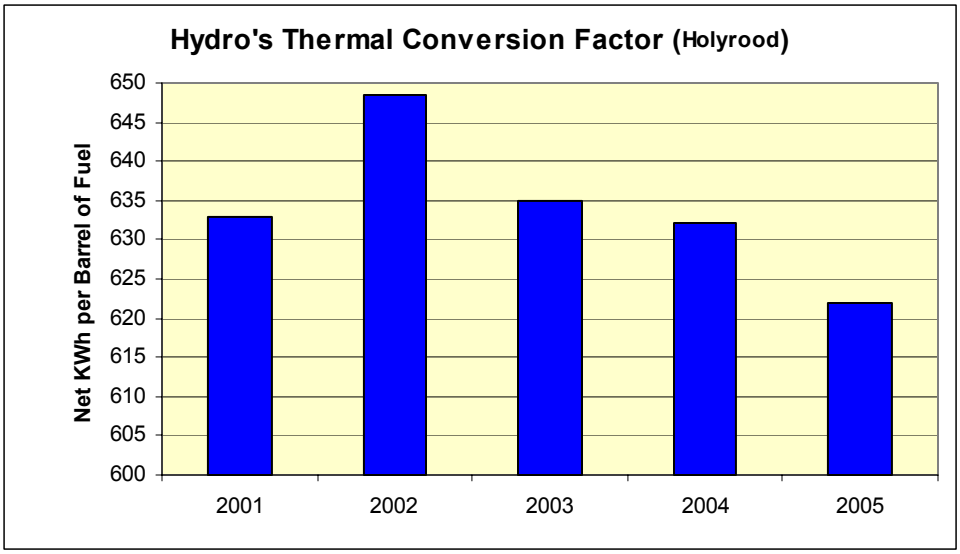
Operating KPI: Generation



The hydraulic conversion factor is a representative performance KPI for the principal hydroelectric generation assets located at Bay d'Espoir. This KPI tracks the efficiency in converting water to energy and it is calculated as the ratio of Net GWh generated for every one million cubic metres (MCM) of water consumed.

In 2005 Hydro's conversion factor was 0.435. The hydraulic conversion factor in 2005 reflects continued favourable hydrology and higher production levels required at the Bay d'Espoir plant.

Operating KPI: Generation

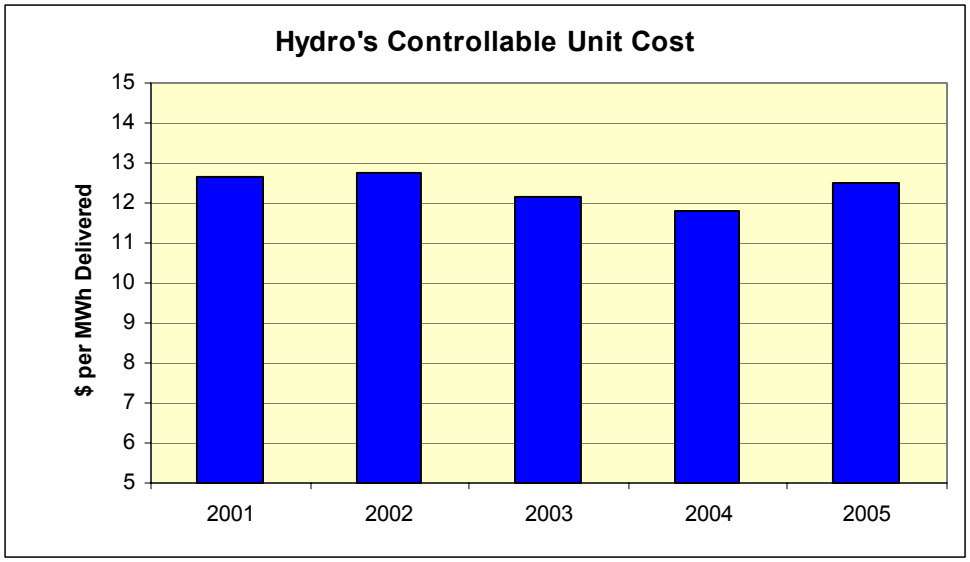


The thermal conversion factor is a representative performance KPI for the oil-fired thermal generation assets located at Holyrood. This KPI tracks the efficiency in converting heavy fuel oil into electrical energy and is measured as the ratio of the net kWhs generated to the number of barrels of No. 6 fuel oil consumed.

The thermal conversion factor for Holyrood is directly proportional to the output level of the units, with higher average and sustained loadings resulting in higher conversion factors. In turn, the output level of the Holyrood thermal plant will vary depending on precipitation and storage levels for the hydroelectric reservoirs.

In 2005 Hydro's thermal conversion factor was 622 kWhs per barrel. The reduction in the thermal conversion factor since 2002 is consistent with reduced output levels at Holyrood in recent years brought about by the introduction of new generation sources in 2003, more favourable hydrology and reduced system load following the closure of the Abitibi Consolidated newsprint mill in Stephenville in October 2005.

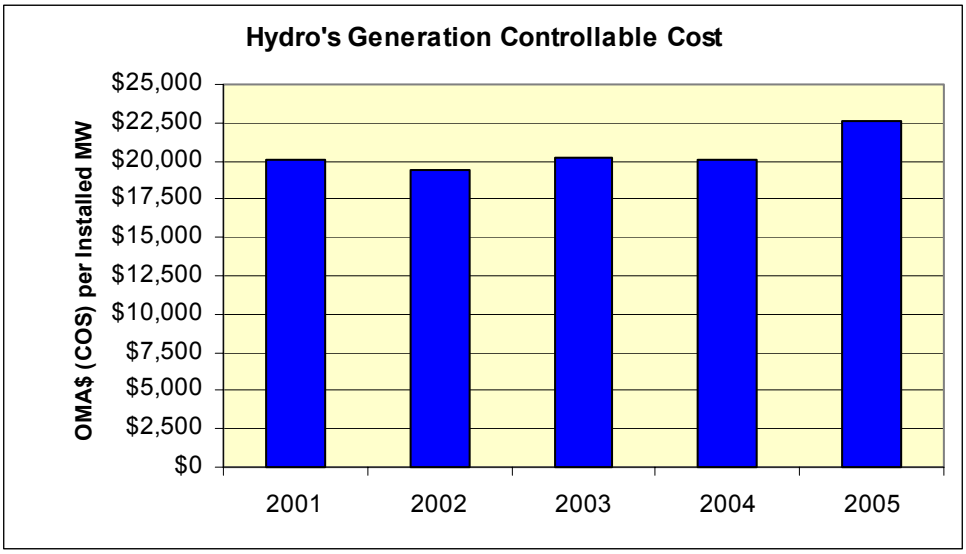
Financial KPI: Corporate Overall



Controllable Unit Cost is a high level corporate KPI that tracks Hydro's OM&A expenses in relation to its total energy delivered. Corporate performance is positive when unit costs during the review period do not escalate independently of changes in energy deliveries.

In 2005 Hydro's controllable unit cost was $12.49 per MWh. This increase in unit cost was anticipated. Hydro's performance in 2005 represented an unavoidable increase in operating expense largely in system equipment maintenance. The loss of sales arising from the closure of the Abitibi Consolidated newsprint mill in Stephenville late in 2005 will impact controllable unit cost in 2006.

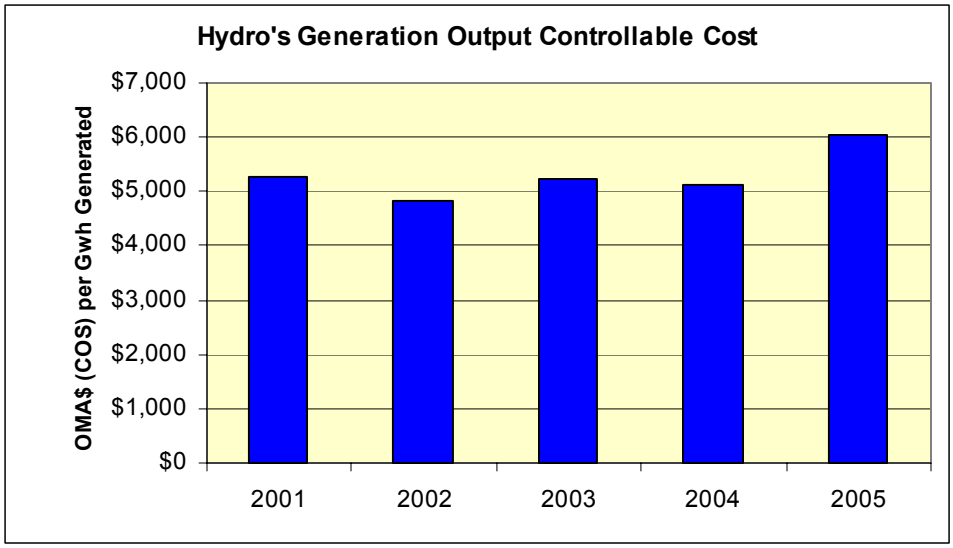
Financial KPI: Generation



Generation Controllable Cost is a functional corporate KPI that tracks Hydro's generation OM&A expenses in relation to its installed generation. Corporate performance is positive when generation OM&A costs during the review period are not escalating independently of investment in generation assets.

In 2005 Hydro's generation controllable costs was approximately $22,500 per installed MW of capacity. The real increase in generation unit cost in 2005 is largely attributable to periodic production expenses, particularly for a unit overhaul in thermal operations. The more typical annual generation O&M costs are in the order of $20,000 per installed MW.

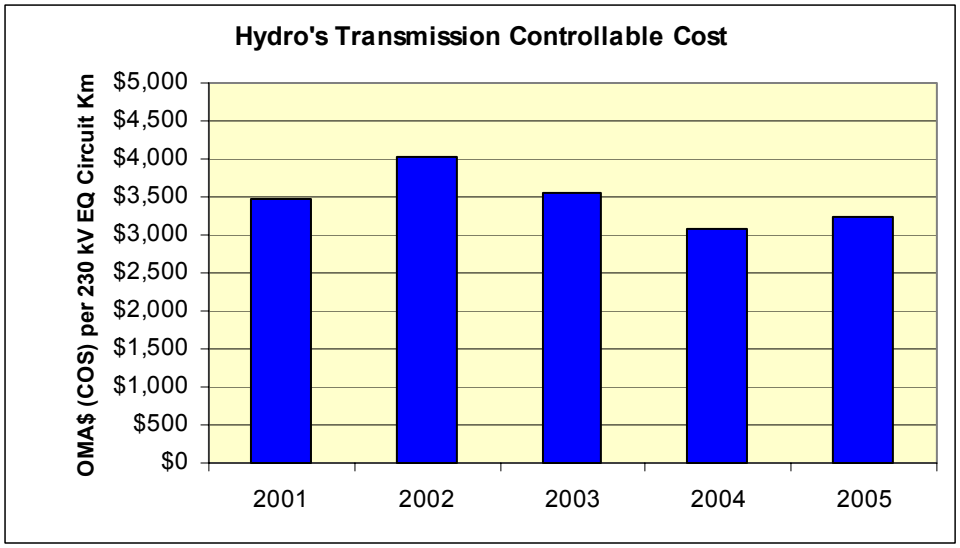
Financial KPI: Generation



Generation Output Controllable Cost is a functional corporate KPI that tracks Hydro's generation OM&A expenses in relation to its net generation. Corporate performance is positive when generation OM&A costs during the review period do not escalate independently of changes in net generation output.

In 2005 Hydro's generation output controllable cost was approximately $6,000 per net GWh generated. The real increase in generation unit cost in 2005 is largely attributable to periodic production expenses, particularly for a unit overhaul in thermal operations. The more typical generation output annual O&M costs are in the order of $5,000 per net GWh generated. A reduction in output caused by the closure of the Abitibi Consolidated newsprint mill in Stephenville in the fall of 2005 also placed upward pressure on this KPI measure, and will continue to do so through 2006.

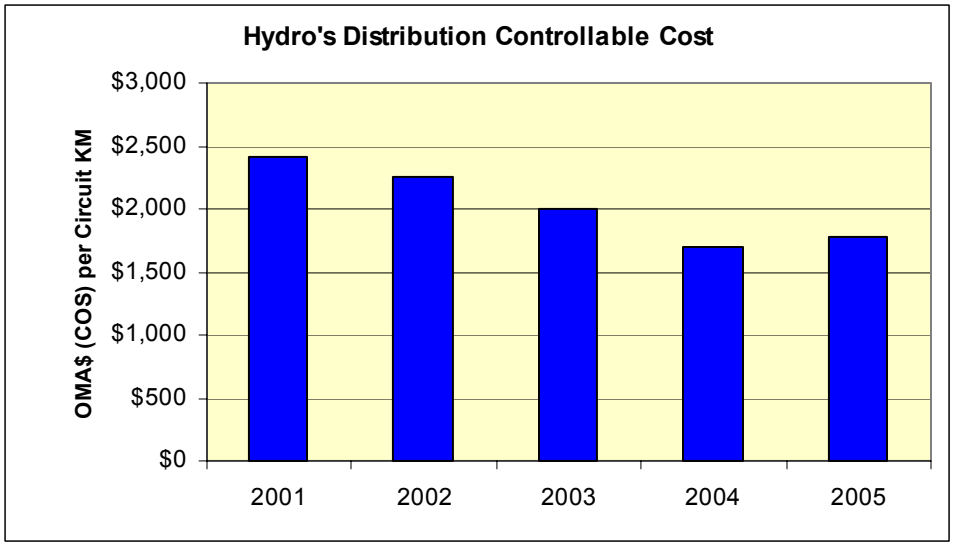
Financial KPI: Transmission



Transmission Controllable Cost is a functional corporate KPI that tracks Hydro's transmission OM&A expenses in relation to the 230 kV equivalent length of its transmission circuits (69 kV lines and above). Corporate performance is positive when transmission OM&A costs during the review period do not escalate independently of investment in transmission assets.

In 2005 Hydro's transmission controllable cost was approximately $3,200 per kilometer of transmission circuit. Hydro's performance in 2005 compared favourably against the five-year average transmission unit cost of $3,500 per kilometer of circuit.

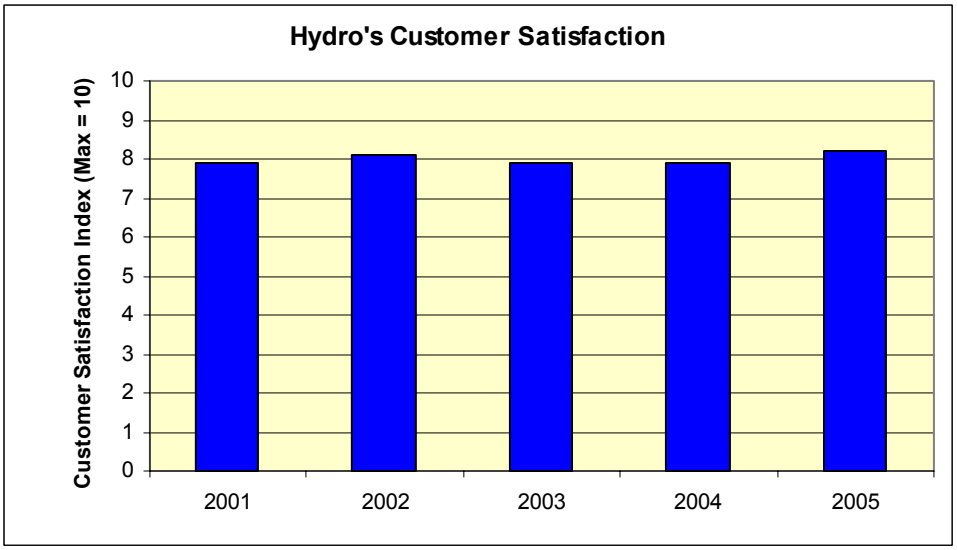
Financial KPI: Distribution



Distribution Controllable Cost is a functional corporate KPI that tracks Hydro's distribution OM&A expenses in relation to the length of its distribution circuits. Corporate performance is positive when distribution OM&A costs during the review period do not escalate independently of investment in distribution assets.

In 2005 Hydro's distribution controllable cost was approximately $1,800 per kilometer of distribution circuit. Hydro's performance in 2005 compared favourably against the five-year average distribution unit cost of $2,030 per kilometer of circuit.

Other KPI: Corporate Overall



Customer Satisfaction Index is a corporate performance KPI that tracks the satisfaction of rural customers with Hydro's performance across a list of industry standard and Hydro developed service attributes. The resulting satisfaction rating is a weighted result based on the importance rating the surveyed customers place on each attribute. Corporate performance is positive when the customer satisfaction index does not decline.

In 2005 Hydro's customer satisfaction rating was 8.2 out of a possible score of 10. This performance, while numerically higher than 2004, should only be considered consistent with past performance. In 2005, Hydro slightly changed the wording in some of the survey's questions to clarify their meaning. This change may have resulted in a more favourable response to these attributes and thus influenced the overall score.

3.0 KPI Targets/Budgets for 2006

Random events render forecasting difficult. For reliability measures, Hydro has formulated a targeted result. Targeted results are those that are desirable from a continuous performance improvement perspective, but may or may not be realized due to random events beyond the utility's control. Certain other KPI values for 2006 are based on expectations as reflected in the 2006 budgets. It should be noted that Hydro's functionally oriented financial KPIs require a cost of service to allocate costs to the functional areas. Hydro does not complete cost of service forecasts except for rate hearing test years and therefore a forecast is not available for 2006. The following table provides more specific comment on the 2006 KPI targets/budgets that Hydro has presently adopted.

KPI	Comment on KPI 2006 Target
Reliability	For the 2006 year, Hydro has adopted a new approach to set reliability performance improvement targets. This approach uses percentage improvements and past performance levels to set target levels for continuous improvements.
Weighted Capability Factor	In 2006 the target is adjusted to reflect the asbestos abatement program at Holyrood.
Weighted DAFOR	In 2006 the target is adjusted to reflect the asbestos abatement program at Holyrood.
Transmission SAIDI, SAIFI, SARI & UFLS	A range of targets was set. The lower range was set using a combination of percentage improvements and past performance. The upper range was set using a 20% improvement in the 5-year average.
Distribution SAIDI & SAIFI	- A 20% improvement on the five-year average.
Operating	
Hydraulic Conversion Factor	- Last 5-Year Average
Thermal Conversion Factor	- As per Order No. P.U. 14 (2004)
Financial	
Controllable Unit Cost	- 2006 OM&A Budget / Fall 2005 Load Forecast
Generation, Transmission & Distribution Controllable Cost	- Not available
Other	
Customer Satisfaction Index	- Targeting continuous improvement

4.0 Data Table of Key Performance Indicators

Newfoundland and Labrador Hydro
Key Performance Indicators (KPI)
Results to December 31, 2005 plus Target/Budget for 2006[1]

KPI	Measure Definition	Units	2001	2002	2003	2004	2005A	2006F
Reliability								Target
Generation								
Weighted Capability Factor2	Availibility of Units for Supply	%	88.2	86.0	87.8	89.8	84.9	87
Weighted DAFOR	Unavailibility of Units due to Forced Outage	%	2.4	5.2	2.9	2.3	2.1	3.1
Transmission3								
SAIDI	Outage Duration per Delivery Point	Minutes / Point	44	187	222	99	99	59 to 65
SAIFI	Number of Outages per Delivery Point	Number / Point	1.4	2.3	2.6	1.8	1.5	1.0 to 1.2
SARI	Outage Duration per Interuption	Minutes / Outage	32	82	86	54	65	56 to 60
Distribution								
SAIDI	Average Outage Duration for Customers	Hours / Customer	10	14	12	11	9	9
SAIFI	Number of Outages for Customers	Number / Customer	7.5	9.4	7.9	5.9	5.8	5.9
Under Frequency Load Shedding								
UFLS	Customer Load Interruptions Due to Generator Trip	Number of Events	10	17	12	7	5	5 to 7
Operating								
Hydraulic Conversion Factor4	Net Generation / 1 Million m3 Water	GWh / MCM	0.433	0.437	0.435	0.435	0.435	0.435
Thermal Conversion Factor5	Net kWh / Barrel No. 6 HFO	KWh / BBL	633	648	635	632	622	630
Financial (Regulated)								
Controllable Unit Cost6	Controllable OM&A$ / Energy Deliveries	$/MWh	12.67	12.74	12.17	11.78	12.49	12.75
Generation Controllable Costs	Generation OM&A$ / Installed MW Generation OM&A$ / Net Generation	$ / MW $ / GWh	$20,121 $5,268	$19,379 $4,822	$20,230 $5,240	$20,038 $5,112	$22,641 $6,040	NA NA
Transmission Controllable Costs	Transmission OM&A$ / 230 kV Eqv Circuit Km	$ / Km	$3,461	$4,031	$3,544	$3,085	$3,235	NA
Distribution Controllable Costs	Distribution OM&A$ / Circuit Km	$ / Km	$2,419	$2,256	$1,998	$1,704	$1,785	NA
Other								
Customer Satisfaction Index	Satisfaction Rating	Max = 10	7.9	8.1	7.9	7.9	8.2	8.3

Notes:
1. Historical data has been updated and/or corrected where applicable.
2. 2005 and 2006 reflects known outages for maintenance including Holyrood asbestos abatement project.
3. Prior to 2002 SAIDI, SAIFI and SARI excludes planned outages. 2006 transmission targets exclude planned outages.
4. For Bay d'Espoir hydroelectric plant.
5. For Holyrood thermal plant.
6. Energy deliveries have been normalized for weather, customer hydrology, and industrial strikes. No adjustments have been made for AC Stephenmille mill closure.

Source: NLH April 13, 2006

EXHIBIT JRH-2

PROVINCIAL ELECTRICAL SYSTEMS

Overview

Hydro owns and operates two interconnected power systems, one on the Island and the other in Labrador. As well, Hydro owns and operates 21 isolated generation and distribution systems located around coastal Newfoundland and Labrador, and numerous distribution systems on the larger interconnected power system, primarily on the Great Northern Peninsula ("GNP"), the South Coast, the White Bay-Baie Verte area, as well as the Labrador Interconnected systems.

2.1 Island Interconnected

On the Island Interconnected System, power and energy are provided by Hydro through a mix of hydroelectric and fossil-fired generation, as well as some power purchases. This production, along with the transmission system, is managed by Hydro's Energy Control Centre ("ECC") to ensure economic and reliable dispatch of available resources.

The general location of Hydro's Island facilities is indicated on Schedule JRH-2-I. A single line diagram of the Island Interconnected System is provided on Schedule JRH-2-II. Since the last General Rate Application some additions have been made to the Island Interconnected System. These were assigned to the Cost of Service areas consistent with Board Order No. P.U. 14 (2004) and are as follows:

2004

- Two 850 kW mobile diesels were relocated from Roddickton to St. Anthony Diesel Plant – assigned common;

2006

- Addition of the Duck Pond Terminal Station and a 45 km, 66 kV transmission line, TL264 from Buchans to Duck Pond – specifically assigned to Aur Resources Inc.

At the end of 2005, Hydro's Island Interconnected production facilities consisted of 15 generating stations varying in size from 360 kW to 592 MW. As well, there are four power purchase agreements in place, which provide approximately 5% of the Island Interconnected total energy supply. The Island Interconnected net installed capacity, including power purchase contracts is 1,592 MW. Schedule JRH-2-III indicates the provincial interconnected generation capability.

On the Island Interconnected System, Hydro owns and maintains 3,473 km of high voltage lines, and 54 high voltage terminal stations operating at 230, 138 and 69/66 kV which connect the generation and delivery points for Newfoundland Power, the Industrial Customers and Hydro's rural distribution systems.

2.2 Labrador Interconnected

Virtually all power and energy for the Labrador Interconnected System is purchased from Churchill Falls (Labrador) Corporation Ltd. Hydro has a total of 300 MW and 2,362 GWh available annually, with any surplus to Hydro's needs currently being exported under short-term arrangements. Hydro also maintains gas turbine and diesel assets in the Labrador Interconnected System with a combined capacity of 38.8 MW.

Hydro owns and maintains 269 km of 138 kV transmission line and the associated terminal stations in Labrador interconnecting Happy Valley/Goose Bay to Churchill Falls. Hydro also owns and maintains 44 km of 46 kV sub-transmission lines in Labrador West, 25 km of which are from Wabush to the Newfoundland and Labrador/Quebec border, providing a limited emergency interconnection between Labrador West and Fermont, Quebec. For Labrador West, Hydro has an arrangement with Twin Falls Power Corporation Limited,

owner of the 230 kV transmission facilities connecting Churchill Falls to Labrador West, for the wheeling of electrical energy from Churchill Falls.

The general location of Hydro's facilities in Labrador is indicated on Schedule JRH-2-I. A single line diagram of the Labrador Interconnected System is provided in Schedule JRH-2-IV. Since the last General Rate Application an addition was made to the Labrador Interconnected System.

2004

- The 15/20/25 MVA, 138/25 kV power transformer T1 at Happy Valley Terminal Station was changed out for a 30/40/50 MVA power transformer due to load growth. The 15/20/25 MVA unit remains at Happy Valley as a spare. The new transformer is assigned common.

2.3 Hydro – Rural Interconnected

On the Island Interconnected Rural System, Hydro owns and maintains 2,613 km of low voltage (up to 25 kV) distribution lines and 25 low voltage substations, which serve approximately 22,000 Rural Customers. These Rural Customers are provided service from distribution systems located in approximately 180 communities on the South Coast, Northeast Coast and along the GNP. Construction of facilities to interconnect Rencontre East to the grid commenced in 2005 and was completed in May 2006.

On the Labrador Interconnected System, Hydro owns and maintains 342 km of low voltage distribution lines and nine substations serving seven communities with approximately 9,000 Rural Customers.

The general location of these service areas, as well as isolated service areas is indicated in Schedules JRH-2-V and JRH-2-VI.

2.4 Hydro – Rural Isolated

Excluding Davis Inlet and Natuashish, Hydro now owns and operates 21 isolated diesel generating and distribution systems serving approximately 4,300 customers in over 40 communities throughout coastal Newfoundland and Labrador. Fifteen of these systems are located in Labrador and six are on the Island of Newfoundland. Hydro received Board approval for the abandonment and decommissioning of Davis Inlet plant in Order No. P.U. 9 (2006). The Natuashish generating and distribution system is operated but not owned by Hydro.

Schedules JRH-2-V and JRH-2-VI attached show the location of these isolated diesel generating plants and Schedule JRH-2-VII attached gives a breakdown of their installed capacity as of December 31, 2005. The total installed capacity of Hydro's 21 diesel plants is approximately 29 MW, excluding Rencontre East which was closed in May of 2006.

Schedule JRH-2-I
J.R. Haynes

Schedule JRH-2-II
J.R. Haynes

HAWKE'S BAY 66-12.5kV 5 MW
PLUM POINT 138-12.5kV 2 X 5 MVAR
TL244
TL256
TL261
BEAR COVE 138-12.5kV 5 MVAR
ST. ANTHONY AIRPORT 138-69kV
3 X 3 MVAR
TL221
TL241
TL257
MAIN BROOK 69-4.16kV
TL262
RODDICKTON 69-12.5kV
ST. ANTHONY DIESEL PLANT 9.7 MW
PETER'S BARREN 138-66kV
DANIEL'S HARBOUR 66-12.5kV
TO CONCHE
CAT ARM 127 MW
12.5kV -600V
PARSONS POND 66-12.5kV
TL227
TL259
CONEY ARM 69-12.5kV
BOTTOM WATERS 138-25kV
TL260
RODDICKTON MINI HYDRO 425kW
TL222
COW HEAD 66-12.5kV
RATTLE BROOK 4 MW
JACKSON'S ARM 69-12.5kV
SALLY'S COVE 66-7.2kV
BERRY HILL 138-66kV
HAMPDEN 69-12.5kV
SEAL COVE ROAD
363L
TL253
TL252
SPRINGDALE 138kV
ROCKY HARBOUR 66-12.5kV
TL247
INDIAN RIVER 138kV
TL223
SOUTH BROOK 138-25kV
TL239
WILTONDALE 66-12.5kV
TL251
TL224
GLENBURNIE 66-12.5kV
TL226
TL229
TL225
HINDS LAKE 75 MW
DEER LAKE 230-138kV 138-66kV
TL245
TL243
HOWLEY 138-69kV
DEER LAKE POWER 60Hz.-79MW
BUCHANS 230-66kV 66-12.5kV
TL248
DUCK POND 66-4.16kV
TL264
TL205
CORNER BROOK PULP & PAPER STEAM 15MW
L2
L1
STAR LAKE 15 MW
TL280
TL232
L16
CORNER BROOK FREQUENCY CONVERTER 25 MVA
TL228
L17
MASSEY DRIVE 230-66kV
TL233
TL231
TL204
STEPHENVILLE 230-66kV 54 MW
UPPER SALMON 84 MW
ABITIBI - SVL
TL238
TL209
TL263
TL234
BAY D'ESPOIR 230-69kV 592 MW
TL211
GRANITE CANAL 40 MW
TL214
BOTTOM BROOK 230-138kV 138-66kV
TL220
BARACHOIX 69-25kV
DOYLES 138-66kV
TL250
TL215
CONNE RIVER 69-12.5kV
ENGLISH HARBOUR WEST 69-25kV
GRAND BAY
3 MVAR
GRANDY BROOK 138-25kV

G4 25.7 MW
BEETON 26.9 MW
ABITIBI -GFL
BISHOP'S FALLS 18.4 MW
COBBS POND
TL210
SALT POND
LINTON LAKE
TL219
TL254
BOYD'S COVE
FAREWELL HEAD 66-25kV
BAY L'ARGENT
SUNNYSIDE 230-138kV
MONKSTOWN
PARADISE RIVER 8 MW
TL212
TL258
TL202
STONY BROOK 230-138kV
TL206
TL207
COME-BY-CHANCE 230-13.8kV
TL203
LONG HARBOUR 230-46kV
TL237
TL208
24 MVAR
WESTERN AVALON 230-138kV 230-66kV
TL217
HOLYROOD 230-138kV 230-66kV 465.5 MW
TL201
TL242
TL218
TL236
26.4 MVAR
26.4 MVAR
26.4 MVAR
25.2 MVAR
HARDWOODS 230-66kV 54 MW
OXEN POND 230-66kV

PLANT ASSIGNMENTS

- COMMON
- HYDRO RURAL
- NEWFOUNDLAND POWER
- OWNED BY OTHERS
- ABITIBI CONSOLIDATED SVL
- CORNER BROOK PULP & PAPER
- NORTH ATLANTIC REFINING LIMITED
- AUR RESOURCES

LEGEND

- GENERATOR
- FREQUENCY CONVERTER
- TRANSFORMER
- CIRCUIT BREAKER
- CAPACITOR BANK
- SHUNT REACTOR
- DISCONNECT SWITCH

HYDRO

Island Interconnected System 2007 Plant Assignment

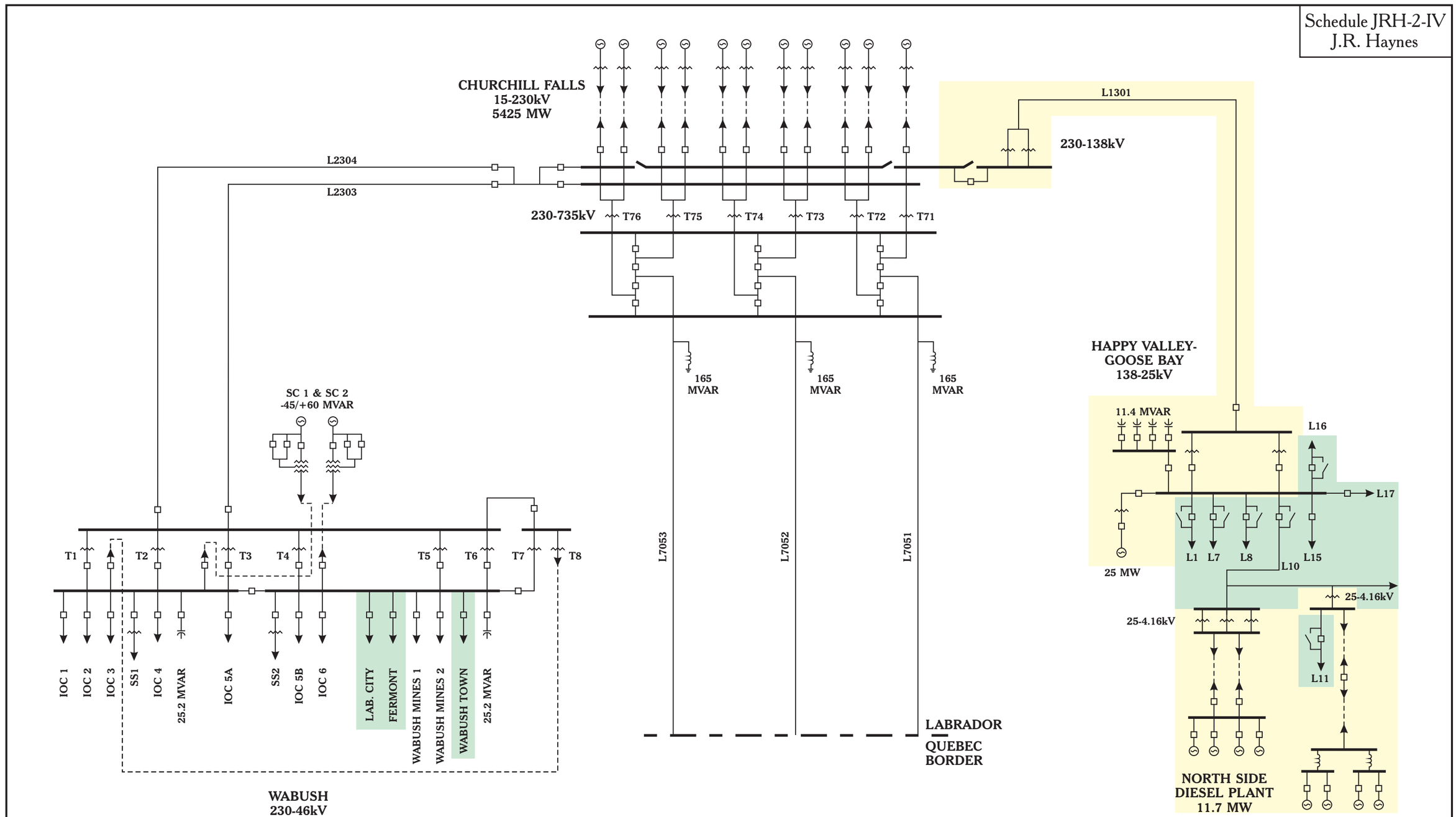
Schedule JRH-2-III
J.R. Haynes

Newfoundland And Labrador Hydro
Generating Capability

Plant	Net Capacity *(MW)*	Average Annual Energy[1] *(GWh)*	Firm Annual Energy *(GWh)*
Island Interconnected System			
Newfoundland and Labrador Hydro			
Hydroelectric	927.3	4,472.1	3,961.0
Thermal	598.2	2,996.0	2,996.0
Non-Utility Generation	66.3	394.2	316.7
Total Capability	1,591.8	7,862.3	7,273.7
Customer Generation	315.5	1,754.0	1,547.0
Total Island Interconnected System	1,907.3	9,616.3	8,820.7
Labrador Interconnected System			
Happy Valley Gas Turbine	27.0	-	-
Goose Bay North Plant, Mud Lake	11.8	-	-
CF(L)Co Contract	300.0	2,362.0	2,362.0
Total	338.8	2,362.0	2,362.0

[1] Results from simulation using full hydrology record and 2007 load.

Schedule JRH-2-IV
J.R. Haynes



LEGEND

- GENERATOR
- TRANSFORMER
- CIRCUIT BREAKER
- DISCONNECT SWITCH
- RECLOSER
- CAPACITOR BANK
- SHUNT REACTOR
- CABLE

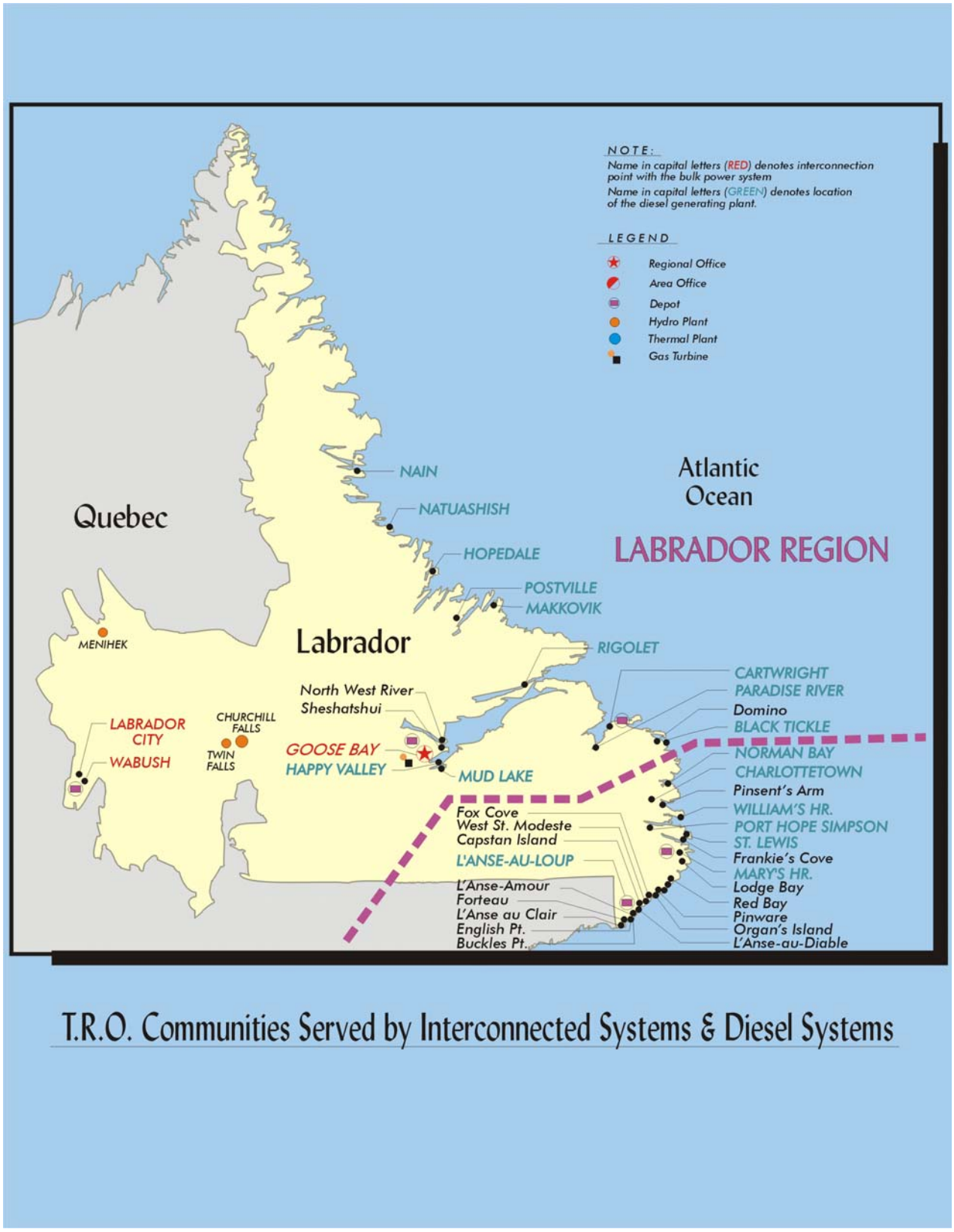
PLANT ASSIGNMENTS

- COMMON
- HYDRO RURAL
- OWNED BY OTHERS

HYDRO

Labrador Interconnected System
2007 Plant Assignment

Schedule JRH-2-V
J.R. Haynes



T.R.O. Communities Served by Interconnected Systems & Diesel Systems

Schedule JRH-2-VII
J.R. Haynes

NEWFOUNDLAND AND LABRADOR HYDRO
ISOLATED RURAL SYSTEMS
INSTALLED GENERATING CAPACITY – kW

Plant Location	Individual Unit Sizes					Firm Capacity	Installed Capacity
Labrador[1]							
Black Tickle	300	455	250			550	1,005
Cartwright	470	765	450	504		1,424	2,189
Charlottetown[2]	250	725	725	250	300	1,525	2,250
Hopedale	545	569	475			1,020	1,589
L'Anse Au Loup[3]	600	600	800	1,100	1,000	4,100	4,100
Makkovik	450	620	635			1,070	1,705
Mary's Harbour[4]	600	600	650			1,200	1,850
Nain	865	865	865			1,730	2,595
Norman Bay	30	30	30			60	90
Paradise River	90	50	50			100	190
Port Hope Simpson	455	455	455			910	1,365
Postville	252	150	275			402	677
Rigolet	250	320	122	545		692	1,237
St. Lewis	250	136	250	600		636	1,236
Williams Harbour	210	136	90			226	436
SUBTOTAL						**15,645**	**22,514**
Island							
Francois	275	136	200			336	611
Grey River	136	136	250			272	522
Little Bay Islands	300	300	450	200	450	1,250	1,700
McCallum	136	210	136			272	482
Ramea[5]	925	925	925			1,850	2,775
Rencontre East[6]	210	210	205			415	625
St. Brendan's	277	210	225			435	712
SUBTOTAL						**4,830**	**7,427**
TOTAL INSTALLED CAPACITY							**29,941**

Notes:
1. Excludes Davis Inlet and Natuashish.
2. One of the 725 kW units is being replaced due to failure.
3. Excludes Hydro Quebec interconnected capacity at 4,000 kW.
4. Excludes power purchase capacity of 175 kW.
5. Excludes power purchase capacity of 390 kW.
6. Shut down May 2006.

Exhibit MGB-1

Proposed Automatic Adjustment Mechanism Report

Pursuant to Order No. P.U. 14 (2004)

Newfoundland and Labrador Hydro

July 2006

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I. Introduction

In Order No. P.U. 14 (2004), the Board of Commissioners of Public Utilities (the "Board") directed Newfoundland and Labrador Hydro ("Hydro"), at the time of its next General Rate Application, to submit a report containing a proposal for an automatic adjustment mechanism for rate of return on rate base, accompanied by analysis of the impacts of the proposed mechanism. This report represents Hydro's proposal and analysis.

II. Approach

In Order Nos. P.U. 16 (1998-99) and P.U. 36 (1998-99), the Board established an automatic adjustment mechanism for Newfoundland Power ("NP"). In Order No. P.U. 19 (2003), the Board amended certain aspects of the mechanism. Hydro relied on these decisions, in conjunction with Order Nos. P.U. 14 (2004) and P.U. 40 (2004), to develop an automatic adjustment formula. Hydro's objective was to adopt the features of NP's automatic adjustment mechanism that were equally applicable to Hydro and to adapt the remainder to Hydro's unique circumstances.

The specific elements of the automatic adjustment mechanism that Hydro will address in this report include:

1. Annual Adjustment Formula for the Allowed Rate of return on equity;

2. Calculation of the Allowed Return on Rate Base;
3. Trigger for Early Review of Formula;
4. Period of Operation; and
5. Impact of Changes in Allowed Rate of Return on Customer Rates.

III. Annual Adjustment Formula for the Allowed Rate of Return on Equity

In Order No. P.U. 14 (2004), the Board established, as an interim measure, an allowed rate of return on equity for Hydro equivalent to Hydro's marginal cost of long-term debt. To determine the allowed rate of return on equity annually, Hydro proposes the following:

Hydro will request annually, that its two lead underwriters, RBC Dominion Securities and ScotiaCapital, provide written estimates of Hydro's cost of issuing a long-term debt (30-year term), on each of the first ten trading days in the month of October. The trading days specified are ahead of those used by the Board to calculate the yield on long Canada bonds to estimate the appropriate rate of return on equity for Newfoundland Power. This is to allow for a submission date to the Board (mid-November) which recognizes the additional time required for NP to flow through the proposed rate change to its customers. Each of the ten daily estimates will be based on the published yield on the Bank of Canada's benchmark long-term Canada bond, plus the underwriters' estimate of the credit spread required for Hydro on that day. The spread estimate will be based on trading activity in the capital markets. The ten daily estimates provided by the two

underwriters will then be averaged to calculate the allowed rate of return on equity for Hydro for the subsequent year.

IV. Calculation of the Allowed Return on Rate Base

In its decision for 2007 rates, the Board will establish an allowed return on rate base based on an approved utility capital structure, forecast embedded cost of debt and allowed rate of return on equity. Hydro's proposed return on rate base for 2007, as set out in its rate application, is 7.63% as illustrated in Table 1.

Table 1

Weighted Average Cost of Capital
2007 Test Year

	Cost Rate	Capital Structure Ratios	Weighted Component
Debt	8.39%	83.50%	7.01%
Employee Future Benefits	0.00%	2.42%	0.00%
Equity	5.20%	14.08%	0.73%
Weighted Average Cost of Capital			7.74%

Return on Rate Base
2007 ($millions)

	Assets	Weighted Average Cost of Debt	Weighted Average Cost of Capital	Allowed Return
Rural Interconnected & Isolated Assets	$212	7.01%		$15
Other Rate Base Assets	$1,279		7.74%	$99
Total Assets	$1,491			$114
Return on Rate Base				7.63%
Revised Allowable RORB Range	7.48% to 7.78%			

For 2008, Hydro proposes to adjust the allowed return on rate base in a manner similar to Newfoundland Power. To illustrate, assume that the rate of return on equity for 2008, as determined by the approach set out in Section III, is 5.75%. The 2008 allowed return on rate base will be calculated using the embedded cost of debt and capital structure approved by the Board for the 2007 test year, along with the new rate of return on equity of 5.75%. The return on rate base will be calculated using the approved test year 2007 rate base, as shown in Table 2 below.

Table 2
Illustration of Change in Return on Equity to 5.75%

Weighted Average Cost of Capital
2008

	Cost Rate	Capital Structure Ratios	Weighted Component
Debt	8.39%	83.50%	7.01%
Employee Future Benefits	0.00%	2.42%	0.00%
Equity	5.75%	14.08%	0.81%
Weighted Average Cost of Capital			7.82%

Return on Rate Base
2008 ($millions)

	Assets	Weighted Average Cost of Debt	Weighted Average Cost of Capital	Allowed Return
Rural Interconnected & Isolated Assets	$212	7.01%		$15
Other Rate Base Assets	$1,279		7.82%	$100
Total Assets	$1,491			$115
Return on Rate Base				7.70%

If the new return on rate base falls within the range of allowed rate of return established for the current year, Hydro proposes to maintain the previously allowed range of rate of

return on rate base and to make no adjustment to customer rates. So in the preceding example for 2008, the 7.70% does not exceed the previous range maximum of 7.78%, so no change in rates would be made.

Of course the new return on rate base as calculated could fall outside the existing range. An example of this would be a situation where we assume that the rate of return on equity for 2008, as determined by the approach set out in Section III, is 6.75%. Once again, the 2008 allowed return on rate base will be calculated using the embedded cost of debt and capital structure approved by the Board for the 2007 test year, along with the new rate of return on equity of 6.75%. The return on rate base will be calculated using the approved test year 2007 rate base, as shown in Table 3.

Table 3
Illustration of Change in Return on Equity to 6.75%

Weighted Average Cost of Capital
2008

	Cost Rate	Capital Structure Ratios	Weighted Component
Debt	8.39%	83.50%	7.01%
Employee Future Benefits	0.00%	2.42%	0.00%
Equity	6.75%	14.08%	0.95%
Weighted Average Cost of Capital			7.96%

Return on Rate Base
2008 ($millions)

	Assets	Weighted Average Cost of Debt	Weighted Average Cost of Capital	Allowed Return
Rural Interconnected & Isolated Assets	$212	7.01%		$15
Other Rate Base Assets	$1,279		7.96%	$102
Total Assets	$1,491			$117
Return on Rate Base				7.82%

In this case, the new return on rate base falls outside the established range (see Table 1) and so the new return on rate base (7.82%) would become the mid-point of the allowed range for the subsequent year; and would be applied to the test year rate base to calculate revised rates to become effective January 1 of the subsequent year.

This proposal is essentially the same as the approach approved by the Board for Newfoundland Power in Order No. P.U. 36 (1998-99).

V. Trigger for Early Review of Formula

In Order No. P.U. 19 (2003) for NP, the Board discussed NP's ability to earn a rate of return on equity in excess of the level set through the application of the automatic adjustment formula, while simultaneously earning a regulated return on rate base within the allowed range of return on rate base. To ensure that the components in its formula remain appropriate, the Board directed NP, in the schedule it provides annually to the Board that calculates the embedded cost of debt, to identify specifically the causes of variations in the actual embedded cost of debt from the cost forecast for the test year period. As part of its annual financial report to the Board, Hydro would similarly provide an explanation of the deviations between its actual embedded cost of debt and the embedded cost of debt used to establish test year rates.

In the same decision for NP, the Board also concluded that an indicator that the automatic adjustment formula may not be operating as intended is when the actual return on regulated equity is significantly higher than the rate of return on equity allowed for that year. The Board found that an appropriate threshold trigger point is when NP's actual return on regulated equity exceeds the rate of return on equity determined by the formula by more than 50 basis points. An actual rate of return on equity that exceeds the 50 basis point threshold may trigger an early review of the formula. When the 50 basis point trigger is exceeded, NP must file a report, as part of its annual return, that explains the variations in all of the cost of capital components.

Hydro accepts the reasonableness of specifying a trigger mechanism that could lead to an early review of the formula. Similarly, Hydro proposes to file a report that details the reasons for its return on regulated equity exceeding a threshold trigger. However, Hydro is proposing that its threshold trigger be set at 100 basis points, rather than the 50 basis points set for NP. The requested threshold trigger of 100 basis points reflects the range of actual rate of return on equity implied by the 30 basis point (+/- 15 basis points) range of the allowed return on rate base set by the Board in Order No. P.U. 40 (2004) for purposes of calculating excess earnings.

An actual return on rate base at the upper end of the allowed range implies an actual rate of return on equity of just over 100 basis points above the allowed rate of return on equity set by the Board, as demonstrated in Table 4.

TABLE 4

Impact of Allowed Range of Return on Rate Base on Rate of Return on Equity For Hydro ($millions)

Average Rate Base	$1,491.2
Average Regulated Equity	$213.5
Weighted Average Cost of Capital	7.74%
Return on Rate Base (RORB)	7.63%
Return on Rate Base	$113.8
Range on RORB	.30% (+/- .15%)
Upper End of Range of RORB	7.63%+.15% = 7.78%
RORB of 0.15%	$2.2
Impact of 0.15% Additional RORB on Average Regulated Equity	$213.5 + $2.2/2 = $214.6
Impact of 0.15% RORB on ROE	$2.2 / $214.6 = 1.03%

By comparison, NP's range of allowed return on rate base of 36 basis points implies a range on rate of return on equity of +/- 41 basis points (as per P.U. 19 (2003), p. 76). The calculation is set out in Table 5.

TABLE 5

Impact of Allowed Range of Return on Rate Base on Rate of return on equity For NP[1] ($thousands)	
Average Rate Base	$703,102
Average Regulated Equity (extrapolated)	$311,867
Weighted Average Cost of Capital	8.97%
Return on Rate Base (RORB)	8.91%
Return on Rate Base	$62,646
Range on RORB	.36% (+/- .18%)
Upper End of Range of RORB	8.91%+.18% = 9.09%
RORB of 0.18%	$1,266
Impact of 0.18% Additional RORB on Average Regulated Equity	$311,867 + (½ * $1,266) = $312,499
Impact of 0.18% RORB on ROE	$1,266 / $312,499 = .41%

The 50 basis point threshold trigger set for NP is thus slightly higher than implied by the range of allowed return on rate base.

The fact that Hydro's narrower allowed return on rate base range than NP's (30 basis points versus 36 basis points) leads to a higher implied range on rate of return on equity (+/- 100 basis points versus +/- 41 basis points) is largely due to Hydro's smaller proportion of common equity in the capital structure as compared to NP (14% versus 45%).

In summary, Hydro is proposing a threshold trigger on the actual return on regulated equity of 100 basis points. If, in any year during which the proposed formula is in effect, the actual rate of return on regulated common equity exceeds the rate of return on equity determined by the formula by more than 100 basis points, Hydro will file with the Board, as part of its annual financial review, a report setting out the reasons and circumstances

[1] Figures used are per NP July 8, 2003 filing pursuant to Order No. PU 19 (2003)

contributing to the differences. These reasons and circumstances will be examined by the Board to determine if an early review of the formula is warranted.

VI. Period of Operation

Hydro proposes an initial period of operation for the formula of three years, identical to that approved for NP. Thus, the formula will be used to determine the cost of capital for 2008-2010, unless (1) the operation of the trigger mechanism leads to an early review, or (2) unforeseeable circumstances transpire prior to the termination of the three-year period that would impair Hydro's ability to maintain a sound credit rating in the financial markets of the world and to access needed capital at reasonable rates.

VII. Impact of Changes in Allowed Return on Rate Base on Customer Rates

To implement changes in the allowed return on rate base, Hydro proposes to make a submission to the Board, in mid-November of each year that the formula is in effect, which includes the following:

- A calculation of the new rate of return on equity under the automatic adjustment formula, with supporting documentation.
- A calculation of the new return on rate base using the new rate of return on equity.
- A comparison of the calculation of the new return on rate base to the range adopted by the Board for the prior year. If the new rate of return on rate base falls

within the prior range, the prior range will govern and no changes in rates will be implemented.

- If the new return on rate base falls outside the previously calculated range, the following will be included in the submission:
    - A calculation of the new range of return on rate base (the new return on rate base +/- 15 basis points) to be used to calculate excess earnings for the subsequent year; and
    - A revised revenue requirement for the subsequent year, incorporating the changes in the allowed return on rate base.

For purposes of implementing the results of the formula in years for which there is no General Rate Application, Hydro proposes to rerun the latest approved test year COS study, incorporating the revised return on rate base. An application will be made to the Board in mid-November for changes in customer rates to be effective January 1 of the subsequent year, reflecting the revised revenue requirement.

Exhibit MGB-2

A Report on the Discontinuance of the Use of Regulated Equity in Favour of Book Equity

Pursuant to Order No. P.U. 14 (2004)

August 2006

Table of Contents

Introduction

In Order No. P.U. 14 (2004), the Board of Commissioners of Public Utilities for Newfoundland and Labrador (the "Board") directed that Newfoundland and Labrador Hydro ("Hydro") file as part of its next general rate application ("GRA"), a report on the discontinuance of the use of regulated equity in favour of book equity.

Book equity is the shareholders' equity as reflected in a company's financial statements and is typically comprised of share capital and retained earnings. Regulated equity has been derived from cumulative regulated net income, less regulated dividends. Disallowed or non-regulated expenses are treated as if they had not been incurred and are excluded from the calculation of regulated net income. Consequently, regulated equity equals book equity plus cumulative non-regulated expenses. In companies that have no source of non-regulated income or equity, then regulated equity will exceed book equity. In companies that have non-regulated sources of income, book equity will exceed regulated equity. This regulated equity amount is then used in the calculation of projected weighted average cost of capital ("WACC"), return on rate base and return on equity ("ROE"). No adjustment is typically made to actual debt balances.

Background

In Order No. P.U. 19 (2003), the Board directed Newfoundland Power ("NP") to address the issue of discontinuing the use of regulated common equity in favour of book equity no later than its next general rate application. NP addressed the issue in its report on Asset Rate Base Methodology dated June 2005 and determined that it would be practical to discontinue its use. NP does not have non-regulated sources of income.

For Hydro, book equity, as reflected in the financial statements, consists of the share capital and contributed capital of subsidiary companies as well as retained earnings.

Hydro also earns unregulated income, in addition to incurring unregulated expenses, so its retained earnings are comprised of cumulative net earnings from both regulated and non-regulated activities.

In 2002, Hydro moved from an 'interest coverage' model of rate regulation which was in effect for setting its rates to NP, to a return on rate base methodology which is now utilized is setting rates to most electricity customers within the Province. In preparation for the 2003 GRA, Hydro designated all of its retained earnings, except those related to its investment in Churchill Falls (Labrador) Company Limited ("CF(L)Co"), and export sales, as 'regulated equity' for the purposes of calculating a WACC – even though a portion of those earnings arose from prior non-regulated sales.

Since that time, Hydro has tracked regulated and non-regulated revenues, expenses and dividends separately and has accumulated separate balances of regulated and non-regulated debt and equity.

2007 Forecast Average Capital Structure

The following tables present the relative proportions of Hydro's average capital structure which support regulated activities, non-regulated activities and investments in subsidiaries on a forecast basis for 2007.

Table 1 - Regulated Capital Structure

	($000's)	%
Debt	1,267,020	83.5%
Employee Future Benefits	36,655	2.4%
Retained Earnings	213,551	14.1%
Total	1,517,226	100.0%

Table 2 – Non-Regulated Capital

	($000's)	%
Debt	76,266	71.2%
Retained Earnings	30,770	28.8%
Total	107,036	100.0%

Table 3 - CF(L)Co & Subsidiaries Capital

	($000's)	%
Debt	69,811	16.7%
Employee Future Benefits	6,892	1.6%
Share and Contributed Capital	136,465	32.6%
Retained Earnings	205,643	49.1%
Total	418,811	100.0%

The portion of capital supporting Hydro's regulated operations has an 83.5 debt to capital ratio, while the capital arising from and supporting other non-regulated aspects of the business and the investment in subsidiaries have more favourable debt to capital ratios of 71.2 and 16.7 respectively, for an overall debt to capital ratio for Hydro's corporate capital structure of 69.2.

Table 4 - Hydro Total Capital

	($000's)	%
Debt	1,413,097	69.2%
Employee Future Benefits	43,547	2.1%
Share and Contributed Capital	136,465	6.7%
Retained Earnings	449,964	22.0%
Total	2,043,073	100.0%

Conclusion

The book equity approach is not appropriate for Hydro. Hydro has both regulated and non-regulated sources of equity, and separate sources of revenue against which regulated and non-regulated expenses are incurred. The total of Hydro's regulated and non-regulated debt and equity balances equal those that are presented in its financial statements. The issue of regulated equity exceeding book equity is not a factor for Hydro as it is for companies without non-regulated income streams – rather, regulated equity is a subset of book equity. Hydro's approach to tracking separate balances of capital is appropriate in the context of a single corporate entity which engages in both regulated and non-regulated activities.

Exhibit MGB-3

Property and Assets Review

Pursuant to Order No. P.U. 14 (2004)

Newfoundland & Labrador Hydro

July 2006

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APPENDIX

I INTRODUCTION

Order No. P.U. 14 (2004) of the Board of Commissioners of Public Utilities ("the Board") directed Newfoundland and Labrador Hydro ("Hydro") to **"file as part of its next general rate application a report with respect to the review of its property and assets".**

As part of its Order, the Board had noted that Hydro had advised during the hearing that it had undertaken a process review to match all the physical plant records to the equipment in the field (Transcript, Oct. 16, 2003, pg. 61/15-20). Mr. W. E. Wells, President and C.E.O. of Hydro at that time, stated that this matching involved some determination as to whether an asset is used and useful but that this was not the primary purpose of the review, which he indicated as being "…to match financial records with equipment records and to identify any differences and make the appropriate adjustments if deemed necessary" (Transcript, Oct. 16, 2003, pg. 65/10-13). Once this review was completed, the Board surmised that Hydro should have a comprehensive up-to-date list of all of its property and assets. This effort was viewed as a necessary first step in considering whether a valuation of the property and assets is necessary.

The Board therefore requested that Hydro detail the results of the process review of its property and assets and that the report set out a list of its property and assets, the acquisition date, the original cost, the purpose of the asset, the net book value and, where applicable, the load served. This report is in response to that request and includes the list of property and assets as at December 31, 2005 in Appendix A.

II CURRENT STATE ASSESSMENT

A review of Hydro's Asset Record Management ("ARM") process revealed a lack of integration between equipment and fixed asset records. Equipment records were managed largely by Operations staff, with fixed asset records managed by Finance staff. Equipment records were utilized by the field for maintenance tracking and customer service purposes, whereas fixed asset records contained capital cost, accumulated depreciation and net book value data, designed primarily to service Hydro's financial accounting and reporting needs.

This lack of integration lead to duplication and certain discrepancies between the records contained in the two databases.

III INITIATIVE OBJECTIVES

The Asset Record Management initiative was designed to:

1. where practical, provide Hydro with an integrated set of Fixed Asset and Equipment records, thereby eliminating duplication of databases and the inefficiency that results;

2. supply Management with the information necessary to more effectively perform Asset Management by enhanced data quality and consistency in maintenance cost data;

3. enhance search capabilities through a structured asset hierarchy; and

4. protect the integrity of the asset database by investing control over and responsibility for asset record changes in the hands of the asset managers.

IV SOLUTION

The goal of the ARM initiative was to provide all levels of management in Hydro with easy access to an asset database that would foster knowledge, processes, tools & training designed to optimize asset utilization. The intent was to ultimately create an environment that promotes asset reliability and improved performance in an efficient and cost effective manner.

In order to achieve the objectives, it was determined that certain steps were necessary. These included:

- Refinement of the existing asset hierarchy to include fixed asset records and to simplify hierarchy structure. An asset hierarchy is a system of asset grouping that facilitates the search process. An enquiry can commence at a very high level, and through a branch system, the enquiry can be guided to a very low level of asset detail.

- Integration of the Fixed Asset and equipment records to create where possible, one master record containing all relevant information (capital cost, depreciation, net book value, operating expenses, maintenance history, etc.).

- Definition of the processes required to help manage asset records for their whole life cycle (asset additions, retirements, transfers, and modifications).

- Definition of and development of the processes required for maintaining data integrity.

In addition to these steps, certain process changes were required, including:

- Reduction in the number of employees who have direct access to create, modify or delete equipment records.

- Finance Department was made the official custodian of all asset records for Hydro. Operational updates to asset records would still be initiated by the field.

Prior to the introduction of the new process, approximately 260 persons had access to create, modify, or delete asset records. All alterations to asset records are now routed through the Finance Department who monitor all record changes. Field staff is expected to provide timely information concerning asset retirements, transfers and additions.

Project Managers are responsible to ensure that details of assets released for service are communicated to Finance utilizing workflow technology designed by the ARM Team. They will also ensure all maintenance related information is provided to the asset managers including Bills of Material (BOMs), category codes, and all required as-built drawings. The forwarding of documentation such as Original Equipment Maintenance (OEM) manuals to the Plant/Region will also be the Project Managers' responsibility.

Project and Asset Managers are assigned responsibility for the accuracy and timeliness of the asset data in JD Edwards. The Finance Department monitors the operational aspects of the Asset Record Management System, resolving issues, providing reporting services and conducting periodic spot checks of asset record data to physical assets.

V IMPLEMENTATION STATUS

Refinement of Asset Hierarchy

The move to an integrated asset record required the implementation of a standard hierarchy for all asset records. This improved organizational structure for the asset database facilitates asset searches and thereby brings efficiencies to the asset management process.

Integration of the Fixed Asset and Equipment Records

This task was completed in September 2005. In total, there were over 40,000 fixed asset records to be integrated with over 200,000 equipment records.

As the Team progressed through this aspect of the initiative, discrepancies between our asset records and the actual assets were noted. A total net book value of $6 million in assets was identified for write-off. This represented 0.4% of our total fixed assets. The following table provides details of the write-off for these assets.

TABLE 1

Details of Asset Write-off

Description	Capital Cost	Accumulated Depreciation	CIAC	Net Book Value	Retirement Date
Transmission	2,770,935	666,516	54,401	2,050,016	December 2003
Terminal Stations	568,181	145,533	20,515	402,131	December 2003
Gas Turbine	788,099	759,137	0	28,961	December 2003
Diesel	3,858,231	1,931,186	1,232,039	695,006	July 2003
Computers & Printers	148,125	122,838	0	25,287	July 2005
Network Services	589,530	555,453	4,571	29,505	July 2005
Hydraulic Generation	2,313,599	901,219	37,622	1,374,757	May 2005
Thermal Generation	4,216,614	3,409,370	0	807,243	August 2002
General Plant	158,439	136,230	3,185	19,024	April/July 2005
Distribution Sub-stations	1,607,322	738,213	79,660	789,448	Dec. 2003 & August 2005
Total to Date	**$17,019,079**	**$9,365,698**	**$1,431,997**	**$6,221,384**	

Defining Life Cycle Processes

Throughout the initiative, there was a focus on eliminating non-value added work and on streamlining transaction routing and approval. To facilitate this objective, a Lotus Notes based application was designed that included workflow features. All asset record transactions receive Asset Manager approval before routing to other persons in the process for the assignment of additional data pertinent to the transaction. This "transaction routing" is automated and driven by pre-determined routing and approval instructions. Security features are designed to reduce the number of persons requiring access to make direct changes to asset records within JD Edwards.

In June of 2004, the Lotus Notes portion of the Asset Record Management process was implemented. The final integration of the fixed asset and equipment records was completed in 2005.

Defining the Processes Required to Maintain Data Integrity

In addition to a streamlining of the asset record change transaction process, there were also process changes designed to improve the quality and reliability of asset data. While the field staff can still initiate asset record changes, all such changes are now routed through various filters prior to upload to the JD Edwards Fixed Assets module. Upload to JD Edwards is controlled by the Finance Department.

VI SUMMARY

A single integrated asset master record is necessary for Hydro to improve effectiveness and efficiency in the management of its assets and to ensure data integrity of the capital asset records through the elimination of multiple databases.

Managers need access to the total asset record including operating and maintenance costs, capital costs, depreciation and other pertinent information in order to make effective asset management decisions. Managers also need to ensure that all activities involving the addition, transfer, or removal of an asset are captured and recorded in a timely manner. This helps ensure the accuracy of Hydro's fixed asset records. This initiative has created a process that helps ensure that these needs are addressed.

APPENDIX A

Listing of Fixed Assets as at December 31, 2005

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **All Systems General Plant** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
COMPUTERS	12/12/2002	2,035	1,187
	7/31/2003	35,528	25,377
	8/27/2003	2,021	1,179
	9/5/2003	1,981	1,156
	9/19/2003	4,050	2,362
	9/22/2003	2,077	1,212
	9/26/2003	2,077	1,547
	9/30/2003	2,635	1,537
	11/4/2003	2,065	1,204
	11/5/2003	2,065	1,204
	12/12/2003	10,584	6,174
	12/31/2003	12,451	7,264
	4/2/2004	1,472	957
	6/30/2004	1,472	1,006
	8/25/2004	1,472	1,055
	10/21/2004	3,893	2,920
	3/16/2005	3,662	3,051
	5/26/2005	144,011	124,808
	5/27/2005	75,263	65,228
	6/6/2005	132,425	116,974
	6/10/2005	40,073	35,397
	7/1/2005	357,687	250,381
	10/1/2005	466,391	349,793
	12/5/2005	43,665	42,937
	12/22/2005	29,262	28,774
	12/23/2005	16,838	16,558
	12/30/2005	20,563	20,220
	12/31/2005	399,128	313,981
OFFICE EQUIPMENT-MECHANICAL	5/2/1989	1,120	0
	5/10/1989	1,848	0
	6/30/1989	2,574	0
	12/31/1989	1,690	0
	10/1/2000	38,731	0
	10/23/2002	4,620	1,617
	2/4/2004	2,841	1,752
	9/20/2004	9,578	7,024
	12/20/2004	10,902	8,685
OFFICE FURNITURE	12/31/1989	21,510	0
	4/14/2000	5,362	2,279
PRINTERS	10/1/2000	461	0
	3/3/2004	10,110	6,403
	5/12/2005	995	862
	5/25/2005	995	862
	5/31/2005	37,661	32,640
	6/7/2005	3,659	3,232
	12/5/2005	6,590	6,480
ROUTERS & LANS	7/21/1998	4,019	0
	1/10/2001	25,204	3,360
	11/20/2003	53,405	30,263
	3/23/2004	2,481	1,571
	10/25/2004	80,005	60,004
	10/30/2004	23,954	17,966
	2/25/2005	17,108	16,823
	3/23/2005	31,223	30,702
	7/7/2005	16,918	16,777
	8/15/2005	62,018	60,984

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **All Systems General Plant** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2005	26,499	26,057
SERVERS	8/12/2004	54,997	39,414
	10/26/2004	18,332	13,749
	11/30/2004	116,460	89,286
	12/22/2004	181,323	142,036
	12/23/2004	22,665	17,755
	4/25/2005	139,515	137,190
	5/13/2005	10,784	10,604
	5/27/2005	4,344	3,765
	10/11/2005	5,888	5,593
	11/9/2005	10,424	10,250
	12/31/2005	9,837	9,673
COMPUTER SOFTWARE	1/1/1975	64,368	36,398
	12/31/2004	828,797	649,224
	11/15/2005	21,872	21,143
	12/31/2005	593,384	532,164
TOOL'S & EQUIPMENT - GENERAL	10/1/2004	3,345	2,509
	2/24/2005	3,300	2,805
	4/26/2005	2,907	2,471
	8/1/2005	200,782	192,416
	8/11/2005	2,495	2,287
	9/13/2005	2,995	2,895
	11/7/2005	1,925	1,861
All Systems General Plant		$4,621,664	$3,687,276

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **All Systems Meters** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
METERS - DEMAND	12/15/2004	174,941	168,624
	12/31/2004	23,529	22,679
	12/31/2005	4,585	4,572
METERS - DOMESTIC	12/31/1984	43,061	12,918
	1/1/1992	68,419	36,491
	12/31/2004	34,692	33,439
	12/31/2005	93,906	93,645
METERS - OTHER	12/31/2004	3,755	3,619
	12/31/2005	27,658	27,581
All Systems Meters		$474,546	$403,569

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **.**

Unit of Property	Date Acquired	Original Cost	Net Book Value
.	10/15/1968	200,283	184,681

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
AUX COOLING SYST - TURBO GEN	10/15/1968	132,649	0
	4/3/1971	82,204	0
AUXILIARY POWER - DIESEL UNIT	1/1/1980	135,560	28,116
	5/31/1988	20,828	6,087
BATTERY-DC DISTRIBUTION BRD.	10/15/1968	3,272	0
	4/2/1971	1,000	0
	1/1/1980	219,943	45,617
	12/4/1998	56,093	0
BATTERY BANKS	11/27/1990	32,758	11,253
	9/22/1992	38,475	0
	11/17/1995	16,421	9,743
	10/3/1996	134,921	68,210
	12/4/1998	56,093	0
BATTERY CHARGERS	4/2/1971	13,163	0
	1/1/1974	12,889	0
	10/31/1976	3,571	0
	1/1/1980	48,509	10,061
	11/17/1995	4,246	2,519
	12/4/1998	45,138	0
BLED-STREAM SYSTEMS	10/15/1968	854,541	0
	1/1/1980	552,987	114,693
BOILER STEAM GENERATORS	10/15/1968	9,576,880	0
	4/2/1971	63,000	0
	10/15/1979	2,040	0
	1/1/1980	11,869,120	2,461,743
	3/31/1981	30,528	0
	4/1/1981	283,726	0
	8/1/1982	68,031	0
	1/1/1984	88,778	19,334
	9/20/1989	22,193	0
	12/29/1989	4,285,203	0
	12/4/1992	164,446	59,562
	8/31/1993	184,492	0
	10/31/1996	29,135	4,503
	2/3/1999	92,545	0
BOILER VENTS AND DRAINS	10/15/1968	239,716	0
	1/1/1980	44,464	9,222
	10/31/1995	42,746	0
BUILDINGS-ALTERNATOR MODULE	3/24/1987	1,856	16
BUILDINGS-AUXILIARY BUILDING	1/1/1977	30,355	0
BUILDINGS-CONCRETE	7/27/1997	38,829	0
BUILDINGS-FUEL FORWARDING MOI	1/1/1977	35,712	0
BUILDINGS-MAINTENANCE BUILDINC	1/1/1977	82,137	0
	2/2/1980	1,720	0
BUILDINGS-METAL	1/1/1969	1,338,738	0
	10/31/1976	148,426	0
	10/1/1978	36,619	6,408
	1/1/1980	2,575,846	534,250
	12/2/1986	5,274	0
	1/27/1987	382,716	119,067
	11/25/1988	9,561	0
	8/7/1989	55,784	0
	10/27/1989	17,438	0
	11/6/1990	405,243	200,362
	9/18/1991	37,711	0
	9/20/1991	860,965	305,449

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-OFF LOADING MODULE	1/1/1977	30,355	0
BUILDINGS-SWITCHGEAR MODULE	8/30/1986	10,559	2,358
BUILDINGS-WOODEN	1/1/1969	30,058	0
	12/1/1985	10,534	2,072
	11/30/1988	12,975	1,838
	2/25/1994	84,498	0
	6/23/1995	16,474	0
BUS DUCT GENERATOR	10/15/1968	27,238	0
	1/1/1980	311,717	64,652
	11/25/1988	120,878	0
CABLE TRNCH/DUCT/EMBED CONDU	4/3/1971	28,808	0
	1/1/1980	544,049	112,840
CABLES - 4160 VOLT	4/2/1971	79,857	0
	1/1/1980	115,612	23,980
CABLES - 600 VOLT	4/2/1971	113,371	0
	1/1/1980	245,258	50,868
	10/31/1994	9,790	3,934
CABLES - CONTROL	10/15/1968	360,675	0
	1/1/1980	629,827	130,631
	11/25/1988	12,687	0
	11/20/1989	2,461	0
	10/31/1994	220,014	88,413
CABLES - POWER CABLE	9/1/1999	60,895	48,040
CABLES - TRAYS AND CONDUIT	10/15/1968	219,519	0
	1/1/1980	365,915	75,893
	11/20/1989	98,462	0
	10/31/1994	50,399	20,253
CHEMICAL FEED SYSTEM	10/15/1968	50,552	0
	1/1/1969	244,560	0
	4/2/1971	72,184	0
	10/15/1979	50,552	0
	1/1/1980	49,318	10,229
	9/11/1987	8,841	3,591
	9/30/1995	68,323	29,100
	12/16/1997	28,676	0
CIRCULATING WATER-INTAKE SC&D	10/15/1968	116,212	0
	4/3/1971	471,325	0
	1/1/1980	248,487	51,538
CIRCULATING WATER - OTHER	4/2/1971	11,000	0
	4/3/1971	471,325	0
	1/1/1980	1,525,492	316,398
CIRCULATING WATER - PUMPS	10/15/1968	71,894	0
	1/1/1980	412,874	85,633
CIRCULATING WATER-SCR WASH PI	10/15/1968	9,000	0
	1/1/1980	15,556	5,444
COMPRESSED AIR SYS-AIR RECIEV	1/1/1969	2,476	0
	4/2/1971	7,428	0
	6/12/1975	10,000	0
	10/31/1976	10,000	0
	1/1/1977	20,000	0
	1/1/1980	31,427	6,517
COMPRESSED AIR SYS-COMP & DRS	1/1/1974	18,340	13,878
	1/1/1980	79,810	16,553
	9/11/1983	97,188	29,396
	1/27/1987	37,239	11,586
	2/24/1993	36,589	0
	8/12/1994	218,309	85,841

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	6/1/1995	53,878	0
COMPRESSED AIR SYS-INTR AIR DR	9/11/1983	9,289	2,810
	1/1/1987	36,205	0
	5/17/1991	34,097	0
	4/30/1995	54,400	21,911
COMPRESSED AIR SYS- OTHER	4/3/1971	37,291	0
	10/31/1976	31,951	0
	1/1/1977	35,859	0
	1/1/1980	187,205	38,828
	12/16/1984	5,952	933
	4/5/1996	31,968	14,652
CONDENSERS	10/15/1968	95,483	0
	1/1/1980	1,544,978	320,439
	5/5/1980	4,773	1,031
CONDENSERS-AIR REMOVAL SYSTE	10/15/1968	29,447	0
	1/1/1980	187,007	38,787
CONDENSERS - OTHER	10/15/1968	1,000	0
	1/1/1980	305,760	63,417
	10/17/1997	51,554	25,896
CONDUCTOR - PRIMARY	4/2/1971	3,753	0
	12/15/1987	1,770	0
	1/1/1996	185	0
CONDUCTOR - SECONDARY	12/15/1987	734	0
	1/1/1996	355	0
CONDUCTOR - SERVICE	1/1/1977	656	85
	12/15/1987	1,537	0
	1/1/1996	242	0
COOLING SYSTEMS	1/1/1969	49,141	0
CRANE - POWER HOUSE	1/1/1969	207,888	0
	1/1/1980	45,541	9,446
CRANE - PUMPHOUSE	1/1/1969	26,119	0
	1/1/1980	90,746	18,822
DIESEL ENGINES - DIESEL GEN	1/1/1974	5,050	993
DYKES AND LINERS	1/1/1974	142,100	0
ELEVATORS	4/3/1971	89,800	0
ENVIRONMENTAL EQUIPMENT	6/30/1994	100,098	61,449
	6/23/1995	29,948	0
	11/30/1997	129,243	0
FEEDWATER-FRESH H2O INLET SYS	4/3/1971	544,666	0
	1/1/1980	85,211	17,673
FEEDWATER - RESERVE SYSTEM	4/3/1971	152,326	0
	1/1/1980	383,586	79,559
FENCING	8/11/1968	3,733	0
	1/1/1969	55,375	0
	1/1/1974	31,248	0
	10/31/1976	19,127	0
	1/1/1980	34,826	7,223
	12/16/1981	20,670	0
	11/1/1982	13,143	3,691
	7/1/1986	18,205	6,844
	12/15/1989	710	0
	6/23/1995	5,898	0
	10/10/1995	5,395	0
FIRE FIGHTING-DELUGE SYS XFMRS	4/3/1971	8,913	0
	1/1/1980	97,007	20,120
	2/5/1987	37,076	14,498
	11/25/1988	98,328	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/29/1989	70,846	0
	2/26/1990	28,820	11,731
FIRE FIGHTING - OTHER	4/3/1971	273,042	0
	12/1/1985	17,775	6,413
FIRE FIGHTING-PWRHSE PROT SYS	1/1/1969	92,651	0
	1/1/1980	506,992	105,154
	3/19/1986	121,555	41,194
	11/25/1988	29,138	0
FIRE FIGHTNG-WET/DRY SPRINKLEF	6/19/1998	68,519	0
FOUNDATIONS (CONC) FOR BLDGS	10/31/1976	32,843	0
	1/1/1977	16,739	0
	1/1/1982	4,000	0
	1/27/1987	56,613	17,613
	11/6/1990	132,512	65,517
	9/20/1991	172,520	61,206
	6/23/1995	483	0
FOUNDATIONS (CONC) FOR EQUIP	8/11/1968	15,465	0
	10/15/1968	7,683	0
	10/31/1976	36,346	0
	1/1/1977	25,650	0
FUEL OIL ADDITIVES SYSTEM	10/15/1968	24,883	0
	1/1/1980	44,464	9,222
	5/31/1995	111,772	15,179
FUEL OIL STORAGE SYST-OTHER	1/1/1969	53,717	0
	4/3/1971	38,000	0
	1/1/1980	1,279,663	265,411
	7/30/1981	160,771	0
	2/1/1988	13,929	0
	12/10/1996	5,460	2,586
	12/31/1996	2,724	0
FUEL OIL STORAGE TANKS	1/1/1969	709,200	0
	1/1/1974	230,400	0
	10/31/1976	212,487	0
	1/1/1980	2,235,160	463,588
	10/25/1992	37,066	13,143
	1/6/1999	276,777	212,196
	3/31/1999	23,437	18,099
FUEL OIL SYSTEMS	1/1/1980	580,867	120,476
	9/20/1991	337,553	119,756
	12/31/1991	76,748	26,530
FUEL SYSTEM - LIGHT OIL SYSTEM	4/3/1971	49,288	0
	1/1/1980	154,790	32,105
GAS TURB-AIR FLOWTRATION SYS	1/1/1977	106,019	0
	1/21/1981	72,911	0
	1/27/1987	7,051	2,194
GAS TURB-ALTERNATOR MODULE	1/1/1974	1,144,769	0
	6/12/1975	1,111,793	0
GAS TURBINE - CLUTCH	1/1/1974	103,958	2,055
	6/12/1975	87,563	0
GAS TURBINE - CONTROL SYSTEM	8/11/1968	20,673	0
	1/27/1987	879,094	273,496
	12/4/1997	548,240	0
GAS TURBINE-FUEL FORWARD SYST	1/1/1974	111,954	0
	6/12/1975	109,929	0
GAS TURBINE - JET ENGINES	8/11/1968	557,687	0
	1/1/1974	2,066,800	0
	6/12/1975	1,988,657	0

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
GAS TURB-MAIN LUBE OIL SET	1/1/1974	122,759	0
	6/12/1975	110,914	0
	1/27/1987	17,594	5,474
GAS TURBINE - OFF-LOADING SYST	1/1/1974	47,430	0
	6/12/1975	37,944	0
GAS TURBINE - POWER TURBINE	8/11/1968	417,399	0
	1/1/1974	2,251,155	0
	6/12/1975	2,347,805	0
	1/16/1981	137,699	0
	1/27/1987	1,097,717	341,512
	8/25/1989	83,605	0
GAS TURB-SWITCHGEAR MODULE	6/12/1975	17,992	1,980
	1/1/1977	278,000	0
	8/10/1999	9,088	6,755
GENERATOR - OTHER	8/11/1968	125,220	0
	10/15/1968	1,998,388	0
	4/2/1971	166,000	0
	1/1/1980	2,806,765	582,144
	2/1/1985	1,580	258
	1/27/1987	847	264
	11/25/1988	1,540	0
	12/29/1989	1,540	0
GENERATOR - ROTOR	8/11/1968	166,960	0
	10/15/1968	1,421,930	0
	3/30/1971	1,421,930	0
	1/1/1974	231,464	0
	6/12/1975	213,750	0
	1/1/1980	3,994,241	828,436
GENERATOR - STATOR	8/11/1968	125,220	0
	10/15/1968	1,690,944	0
	1/1/1974	369,124	0
	6/12/1975	340,875	0
	1/1/1977	662	0
	1/1/1980	2,374,954	492,584
GLYCOL SYSTEM - COOLING	1/1/1974	83,699	0
	6/12/1975	90,050	0
	9/12/1989	9,270	0
GOVERNOR	10/15/1968	77,729	0
	3/30/1971	77,729	0
	1/1/1980	218,343	45,286
	11/30/1999	922,781	562,213
GROUNDING	8/11/1968	3,733	0
	4/2/1971	53,073	0
	1/1/1980	73,295	15,202
H.P. FEED - BOILER FEED PUMPS	10/15/1968	290,963	0
	4/3/1971	89,574	0
	1/1/1980	883,803	183,308
	10/24/1987	61,583	12,912
	12/8/1987	106,608	43,992
	11/25/1988	474,807	0
	5/8/1989	42,489	11,016
HP FEED-CLOSED TYPE HEAT EXCH	10/15/1968	593,957	0
	12/23/1997	955,842	492,616
H.P. FEED - OTHER	10/15/1968	1,569,075	0
	1/1/1980	916,679	190,126
	11/30/1999	181,052	110,308
HIGH PRESSURE STEAM SYSTEM	10/15/1968	308,014	0

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Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	4/2/1971	301,014	0
	12/2/1979	10,195	2,092
	1/1/1980	2,440,014	506,077
HYDROGEN AND C02 SYSTEM	1/1/1969	8,581	0
	10/31/1980	19,139	4,342
INSTRUMENTATION - BURNER MGM	9/1/1987	470,718	191,193
	10/31/1994	632,221	254,059
INSTRUMENTATION - COMPUTER	1/1/1969	533,321	0
	10/31/1994	250,401	62,600
	11/30/1999	356,341	0
INSTRUMENTATION-INST/CTL PNL	4/2/1971	1,409,765	0
	1/1/1980	2,154,718	446,904
	1/30/1980	57,672	11,961
	11/30/1988	15,826	6,907
	10/31/1994	53,629	21,551
INSTRUMENTATION - OTHER	10/15/1968	58,811	0
	4/2/1971	149,725	0
	1/1/1980	95,270	19,759
	1/1/1987	19,531	7,596
	1/1/1988	96,379	13,228
	6/13/1989	19,048	5,938
	9/20/1989	32,021	9,547
	1/21/1994	54,888	0
	10/31/1994	479,729	192,780
	11/30/1994	103,594	23,435
INSTRUMNTATION-STM TEMP CTLS	10/15/1968	1,157,307	0
	10/31/1994	2,131,351	856,487
INSTRUMENTATION-TURB. SUPRVSI	10/15/1968	54,004	0
	4/2/1971	3,339	0
	10/15/1979	25,333	0
	11/27/1990	518,407	0
	10/31/1994	380,641	152,961
INVERTERS	10/15/1968	182,291	0
	10/15/1979	3,200	2,453
	11/28/1996	17,605	0
LP FEED-CLOSED TYPE HEAT EXCH	10/15/1968	99,288	0
	1/1/1980	243,954	50,597
	12/20/1988	5,528	0
LP FEED-CONDENSATE EXT. PUMPS	10/15/1968	102,892	0
	12/2/1979	10,195	2,092
	1/1/1980	562,214	116,607
	10/13/1983	9,969	3,037
LP FEED-CONDSATE POLISHER PLT	2/16/1983	2,160,053	620,682
L.P. FEED - OTHER	10/15/1968	177,190	0
	4/2/1971	342,000	0
	1/1/1976	6,373	661
	10/13/1983	39,876	12,147
	7/10/1985	36,724	12,853
	10/9/1986	142,518	0
	12/29/1989	1,765	0
	3/26/1997	53,586	0
LAND ACQUISITIONS	1/1/1969	188,000	188,000
	1/1/1974	10,199	10,199
LAND IMPROVEMENTS	8/11/1968	15,465	0
	4/2/1971	996,777	0
	1/1/1974	148,847	0
	6/12/1975	9,529	0

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Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1980	490,716	101,778
	11/1/1982	57,692	16,203
	10/10/1986	25,670	9,816
	1/27/1987	21,742	6,765
	1/1/1988	10,617	4,247
	5/17/1989	5,766	2,562
	12/15/1989	16,491	0
	9/20/1991	29,464	7,237
	6/23/1995	1,069	0
	6/19/1998	33,904	0
LIGHTING SYS 600/120 V OUTDOOR	4/3/1971	28,226	0
	1/1/1974	12,275	0
	6/12/1975	17,512	0
	12/31/1991	1,612	627
LIGHTNING ARRESTOR	1/1/1977	65	9
	12/15/1987	294	0
MARINE TERMINAL - ELECT SYS	1/1/1969	58,496	0
MARINE TERMINAL - OIL BOOM	11/15/1996	259,352	121,548
MARINE TERMINAL - PIPING	1/1/1969	316,854	0
	4/3/1971	52,000	0
	10/31/1980	12,849	2,915
	5/14/1983	11,372	3,341
	12/16/1996	87,580	48,881
MARINE TERMINAL - STRUCTURE	1/1/1969	2,246,552	0
	4/3/1971	17,000	0
	1/1/1984	228,045	0
	12/1/1984	58,770	0
MTLCLAD SWGR CUB/EQP 4kV/600V	10/15/1968	431,573	0
	1/1/1980	780,388	161,859
	10/20/1987	56,409	23,034
	10/31/1994	11,461	4,606
	10/31/1995	14,289	0
MISC UNITS OF PROP	1/1/1969	146,224	0
	1/1/1974	4,105	781
	10/22/1985	9,049	1,719
	11/14/1991	385,873	0
	12/9/1992	123,837	0
	6/30/1994	3,002	1,843
	10/31/1994	58,549	23,528
	10/13/1996	9,058	0
	10/31/1996	128,434	0
	12/4/1997	81,013	0
	6/30/1998	211,565	0
	12/30/2000	45,236	37,571
OFFICE FURNITURE	2/27/1998	58,975	32,050
POLE HARDWARE	1/1/1996	5,348	0
POLE STRUCUTRES WOOD TYPE OT	4/2/1971	20,688	0
	12/15/1987	8,285	0
	12/31/1993	7,059	0
POLES - WOOD 30'	1/1/1996	497	0
POLES-WOOD 40'	1/1/1996	594	0
POWERHOUSE - AUX STEAM SYS	1/1/1980	542,922	112,606
POWERHOUSE SUBSTRUCTURE	1/1/1969	2,842,588	0
	1/1/1980	2,120,729	439,855
	12/31/2005	22,001	21,940
POWERHOUSE SUPERSTRUCTURE	1/1/1969	9,925	0
	4/2/1971	3,591,078	0

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Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1976	5,000	518
	1/1/1980	7,064,231	1,465,174
	11/24/1980	30,244	6,926
	12/1/1982	15,507	0
	7/1/1985	25,070	6,093
	8/25/1987	29,410	7,171
	11/30/1987	74,744	0
	9/15/1988	31,616	0
	11/25/1988	49,539	0
	12/21/1988	20,925	0
	6/30/1989	99,646	9,238
	5/16/1990	38,862	2,542
	9/20/1991	4,107	1,457
	5/17/1993	2,707,655	0
	10/31/1994	23,482	9,436
PRINTERS	2/27/1998	1,882	0
PROTECTIVE CTL & RELAY PNLS	1/1/1980	274,002	56,829
	9/28/1990	64,494	0
REVENUE MTRING-SPEEDOMAX RE(	3/9/1988	2,522	2,242
REVENUE MTRING-TERM. METERS	5/21/1983	2,216	2,055
	8/31/1987	2,661	2,366
ROADS	1/1/1969	490,478	0
	4/3/1971	27,000	0
	1/1/1980	55,489	11,509
	7/31/1980	1,859	410
	12/15/1989	992	0
	6/23/1995	3,078	0
SEWAGE DISPOSAL SYSTEM	1/1/1969	88,394	0
	1/1/1980	62,430	12,948
	12/15/1989	221,484	0
	7/31/1998	55,599	0
	1/15/1999	976,186	547,886
COMPUTER SOFTWARE	1/25/1999	78,257	59,997
	6/9/1999	45,245	0
	9/30/1999	245,994	0
STACK BREECHING	10/15/1968	2,030,541	362,217
	4/3/1971	430,393	0
	1/1/1980	1,698,208	352,221
	10/31/2005	1,829,145	1,798,659
STACK LINERS	10/31/2005	187,677	184,549
STACKS (EXHAUST)	1/1/1974	69,610	0
	6/12/1975	661,362	0
	10/31/1976	8,601	0
	9/30/1986	27,919	6,329
	1/27/1987	195,010	60,670
	7/13/1988	6,133	0
	12/4/1992	511,777	185,366
STATIC EXCITATION - EXCITER	10/15/1968	790,170	629,941
	1/1/1974	36,724	0
	6/12/1975	32,918	0
	1/1/1980	1,295,429	268,682
STATIC EXCITATION - FIELD BKRS	10/15/1968	47,114	0
	10/31/1976	8,000	0
	1/1/1977	8,000	0
	1/1/1980	64,773	13,434
STATIC EXCITATION - OTHER	10/15/1968	92,234	0
	10/31/1976	5,000	0

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Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1977	5,419	0
	1/1/1980	129,542	26,868
STATIC EXCITATION - XFORMERS	10/15/1968	92,234	0
	1/1/1980	129,542	26,868
	12/21/1982	748	0
STATION SERVICE - TRANSFORMER	4/2/1971	151,872	0
	1/1/1980	150,361	31,186
STORM AND YARD DRAINAGE SYSTI	1/1/1969	97,554	0
	1/1/1980	203,907	42,291
	12/1/1985	170,821	61,633
	12/29/1989	3,288	0
	9/20/1991	27,383	9,715
STREET LIGHTS - 150 HPS	12/31/1993	1,704	0
STREET LIGHTS - 250 MERC VAP	12/15/1987	1,084	0
TEST EQUIPMENT - GENERAL	12/4/1997	30,018	0
TOOL'S & EQUIPMENT - GENERAL	6/30/1994	2,039	1,252
TRANSFORMERS-GROUNDING	11/30/1991	15,800	6,042
TRANSFORMERS-OTHER	4/2/1971	7,617	0
	12/15/1987	4,213	0
TRANSFORMERS-POLE TYPE-10KVA	12/31/1993	1,027	0
TRANSFORMERS-POLE TYPE-15KVA	12/31/1993	1,277	0
TRANSFORMERS-POLE TYPE-25KVA	12/31/1993	2,305	0
	1/1/1996	3,544	0
TURBINES	10/15/1968	10,885,096	0
	4/2/1971	26,000	0
	1/1/1980	6,398,098	1,327,013
	11/25/1988	6,736,415	0
	12/11/1988	92,232	0
	10/31/1995	1,580	638
VACUMM CLEANING SYSTEM	1/1/1969	23,574	0
	1/1/1980	48,877	10,137
WATER SUPPLY SYSTEM - OTHER	4/2/1971	9,746	0
	12/16/1981	4,907	0
	1/9/1985	4,552	1,534
WATER SUPPLY SYSTEM - WELL	12/31/1980	1,783	416
WATER TREATMENT-ACID TREAT PL	10/15/1968	65,708	0
	4/3/1971	204,537	0
	12/2/1979	5,098	1,047
	1/1/1980	622,363	129,082
	2/16/1983	18,823	5,409
	11/30/1988	57,542	0
	11/20/1990	15,137	0
	7/25/1995	9,354	3,897
	1/26/1996	224,795	94,145
	12/16/1997	2,409,125	0
	7/31/1999	380,586	0
WATER TREATMENT - OTHER	1/1/1969	1,663,203	1,406,792
	9/20/1991	2,722,210	965,775
	3/27/1995	5,360	2,388
YARD STORAGE RAMPS	11/18/2005	23,802	23,644

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Unit of Property	Date Acquired	Original Cost	Net Book Value
AUXILIARY POWER - DIESEL UNIT	1/1/1967	86,000	0
	1/1/1979	99,774	43,160
	12/1/1982	251,214	149,427
	12/1/1984	223,307	167,537
	12/1/1988	154,255	117,157
AUX POWER - EMERG HYDRO	2/1/1956	85,470	0
	12/1/1966	26,000	24,903
	1/1/1978	2,000	380
	12/16/1991	14,850	4,393
BATTERY-DC DISTRIBUTION BRD.	12/1/1966	12,425	9,895
	12/4/1998	4,493	3,577
BATTERY BANKS	12/1/1966	4,834	4,096
	6/1/1975	6,047	0
	12/1/1982	33,763	26,887
	12/11/1982	17,749	16,239
	8/26/1986	55,540	50,224
	12/1/1988	11,556	8,513
	12/3/1995	21,307	10,725
	12/12/1995	4,834	4,095
	9/27/1996	27,964	15,222
	7/7/2000	21,960	16,798
	11/30/2000	20,563	16,119
	7/1/2003	139,824	126,010
BATTERY CHARGERS	2/1/1956	1,466	204
	12/1/1966	10,935	9,861
	6/1/1975	2,642	0
	1/1/1979	29,972	24,426
	12/11/1982	15,092	13,808
	8/2/1985	107,944	101,382
	10/19/1985	4,678	4,275
	9/10/1987	2,174	1,933
	12/1/1988	13,673	12,455
	10/22/1998	20,946	16,680
	8/31/2000	24,995	19,230
	11/23/2001	28,743	28,270
BOOMS - TIMBER	12/1/1966	38,209	29,870
	1/1/1970	1,982	1,898
	1/1/1979	62,858	6,146
	12/1/1982	160,947	0
BRIDGES	12/1/1966	553,533	521,749
	12/12/1980	221,426	0
	1/21/1983	26,747	6,155
	12/1/1984	1,988,230	971,826
	8/9/1994	55,565	32,909
	9/20/1996	36,387	30,970
	9/16/1997	63,600	44,145
	7/1/2003	312,030	300,454
BUILDINGS-AUXILIARY BUILDING	7/1/2003	446,648	420,327
BUILDINGS-CONCRETE	7/1/2003	1,404,052	1,321,312
BUILDINGS-METAL	12/1/1966	284,920	274,241
	1/1/1967	749,490	419,163
	1/1/1970	10,000	9,578
	6/1/1970	78,451	0
	1/1/1979	114,935	0
	12/12/1980	35,744	0
	9/18/1981	9,768	9,755

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/12/1981	7,236	7,177
	12/1/1982	167,250	167,143
	12/11/1982	96,266	88,071
	1/20/1983	1,711,534	0
	2/17/1983	10,686	7,172
	6/10/1983	37,529	0
	10/2/1984	4,926	4,832
	11/1/1984	4,044	4,024
	12/1/1984	334,093	0
	8/31/1985	5,200	5,153
	12/1/1988	210,259	209,616
BUILDINGS-TRAILERS	1/1/1979	28,791	0
	11/13/1992	15,176	7,623
	9/15/2001	142,329	120,688
BUILDINGS-WOODEN	1/1/1967	122,220	68,353
	10/31/1980	8,694	8,659
BUS DUCT GENERATOR	7/1/2003	365,971	362,066
BUSWORK AND HARDWARE	1/1/1967	4,634	270
	1/2/1967	205,576	66,816
	1/1/1970	279,420	168,328
	1/1/1978	54,479	54,440
	12/12/1980	6,203	5,055
	10/2/1982	16,649	15,318
	3/9/1989	10,639	8,236
	8/29/1989	39,489	26,255
	6/7/1991	669,451	337,996
	10/15/1992	400,394	34,053
	6/8/1998	212,209	0
	7/1/2002	48,570	48,052
	7/1/2003	17,307	17,122
CABLE TRNCH/DUCT/EMBED CONDL	1/1/1967	29,162	1,698
	1/1/1970	13,182	3,047
	1/1/1976	3,698	2,376
	4/13/1982	10,713	9,532
	12/11/1982	58,822	53,815
	12/23/1983	2,191	2,044
	3/9/1989	24,857	22,642
	6/7/1991	71,325	61,341
	10/15/1992	12,176	1,057
	6/8/1998	22,326	0
CABLES - 4160 VOLT	1/1/1967	6,970	0
	1/1/1970	6,825	4,677
	1/1/1978	34,012	24,167
CABLES - 600 VOLT	1/1/1967	6,970	0
	1/1/1970	5,825	3,991
	1/1/1978	45,646	32,423
	12/12/1980	189,472	145,023
	1/21/1983	235,846	208,683
	8/2/1985	118,115	110,935
	12/9/1988	57,752	52,273
CABLES - CONTROL	1/1/1967	84,898	655
	1/1/1970	99,216	55,165
	1/1/1976	14,800	9,510
	1/1/1978	234,491	0
	12/12/1980	193,106	157,369
	10/2/1982	678	624
	12/11/1982	79,859	73,061

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/21/1983	207,086	183,236
	2/17/1983	2,844	1,909
	3/3/1984	6,393	5,920
	8/2/1985	649,086	606,068
	8/28/1986	1,881	1,717
	3/9/1989	23,454	19,842
	4/5/1991	7,441	261
	6/7/1991	190,128	163,516
	10/15/1992	269,187	23,371
	11/30/1994	68,813	52,198
	11/4/1995	746	370
	11/19/1995	21,169	17,459
	11/30/1995	895	638
	6/8/1998	144,662	0
CABLES - POWER 5KV & ABOVE	10/2/1982	6,777	6,235
CABLES - POWER CABLE	3/9/1989	105,873	96,441
	11/19/1995	4,115	3,394
	10/26/1998	11,072	8,767
CABLES - TRAYS AND CONDUIT	1/1/1967	6,413	0
	1/1/1970	6,370	0
	1/1/1978	22,592	20,205
	1/1/1979	46,356	37,778
	12/1/1982	60,055	53,138
	12/11/1982	1,254	1,147
	8/2/1985	120,029	112,732
	12/9/1988	3,692	3,342
	3/9/1989	12,428	11,321
	6/7/1991	68,932	57,166
	10/15/1992	14,901	1,294
CANALS	12/1/1966	20,913,373	20,809,973
	1/1/1967	6,332,000	4,012,888
	1/1/1970	3,120,000	3,114,824
	1/1/1979	10,080,235	10,077,652
	12/12/1980	7,740,071	7,738,088
	11/1/1982	56,279	55,645
	12/1/1982	26,194,209	26,192,455
	1/21/1983	8,109,570	8,109,027
	4/2/1983	408,746	402,273
	11/13/1983	2,949	2,949
	12/16/1983	6,524	6,399
	1/1/1984	5,668	5,575
	10/31/1984	7,652	7,507
	12/1/1984	9,849,796	9,849,662
	8/1/1985	4,463,052	4,462,992
	12/10/1988	1,428,563	1,425,241
	10/31/1989	53,621	53,584
	12/31/1992	17,887	15,681
	11/1/1999	50,969	49,642
	7/1/2003	19,109,053	19,104,335
	8/30/2005	275,026	275,021
	11/15/2005	2,475,245	2,475,229
CIRCUIT BREAKERS	9/10/1965	519,843	79,473
	1/2/1967	36,104	11,734
	6/12/1967	126,468	117,463
	1/1/1970	106,512	30,077
	9/10/1972	122,941	0
	6/12/1977	131,928	123,072

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1980	261,136	201,983
	11/5/1980	61,491	48,652
	12/12/1980	280,726	228,774
	12/11/1982	166,041	148,471
	1/21/1983	233,190	206,335
	12/22/1983	131,928	123,072
	9/10/1989	584,901	503,050
	12/31/1991	41,826	4,806
	6/8/1998	122,941	0
	8/1/2002	421,479	416,983
COMPRESSED AIR SYS-AIR RECIEV	12/1/1966	2,458	638
	1/1/1967	6,249	131
	1/1/1978	37,227	0
	1/1/1979	11,523	0
	12/1/1982	27,007	6,216
	12/1/1984	47,966	23,445
	3/9/1989	27,234	16,257
COMPRESSED AIR SYS-COMP & DRS	12/1/1966	10,598	4,919
	1/1/1979	21,720	19,509
	12/1/1982	31,373	12,649
	2/17/1983	47,255	31,714
	12/1/1984	16,479	14,752
	12/1/1988	27,537	17,175
	12/10/1988	31,410	31,337
	11/12/1992	40,255	27,579
	11/25/1994	14,570	3,326
	1/27/1997	26,146	21,553
	6/1/1998	21,480	19,193
	11/5/1999	25,609	23,192
	12/10/1999	29,099	26,338
	12/30/1999	25,962	23,555
	1/28/2000	23,247	23,006
	4/14/2000	27,610	27,329
	4/17/2000	23,121	22,886
	10/25/2001	24,982	21,629
	11/15/2002	24,982	21,336
COMPRESSED AIR SYS-INTR AIR DR	1/1/1979	1,360	0
	12/1/1982	36,420	23,375
	12/1/1984	52,391	25,608
	12/1/1988	14,006	8,363
	11/30/1991	1,531	315
	1/10/1994	3,532	2,784
	12/1/2000	23,950	23,741
	11/30/2001	21,156	19,861
COMPRESSED AIR SYS- OTHER	4/1/1967	90,371	87,760
	5/16/1967	27,000	0
	1/1/1978	16,351	0
	1/1/1979	7,408	0
	12/1/1982	56,361	12,972
	12/1/1984	60,147	29,399
	12/1/1988	41,783	35,743
	1/27/1997	2,386	1,967
	1/28/1998	61,541	60,311
	11/4/1999	36,324	35,967
COMPUTERS	10/7/1998	9,175	0
CONDUCTOR - 562.5MCM / ACSR	12/12/1980	181,070	145,287
CONDUCTOR - 636MCM / ACSR	1/21/1983	2,259,769	1,983,285

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/23/1983	1,934,975	1,789,007
	7/13/1985	25,979	24,079
	8/2/1985	5,367,684	5,271,215
CONDUCTOR - PRIMARY	12/12/1980	61,076	26,416
	1/21/1983	8,853	5,265
	8/2/1985	564,558	423,549
	10/15/1985	34,812	24,437
	1/31/1988	33,120	33,098
	11/30/1988	20,824	18,864
	3/9/1989	380,040	286,123
	11/30/1996	764	733
	10/30/2002	2,856,941	2,842,990
	12/17/2002	279,804	270,242
CONDUCTOR - SECONDARY	1/31/1988	987	987
	10/15/1996	16,356	15,679
CONDUCTOR - SERVICE	1/31/1988	2,032	2,031
	12/17/2002	672	649
CTL/MTR/RELAYING-OSC'GPH-AUTO	6/1/1979	44,505	0
	7/31/1980	22,569	9,123
CTL/METER/RELAYING - OTHER	9/1/1967	148,045	133,970
	10/15/1968	49,143	45,843
	6/1/1975	14,501	8,869
	1/1/1976	12,835	8,248
	1/1/1982	23,737	0
	10/2/1982	1,251	1,151
	10/31/1982	9,821	8,766
	11/1/1982	9,821	8,778
	12/11/1982	109,816	100,468
	3/3/1984	7,545	6,986
	4/27/1985	7,539	6,974
	3/27/1986	9,360	8,545
	8/26/1986	881	796
	8/28/1986	13,196	12,046
	2/21/1987	24,521	21,949
	4/1/1987	14,579	12,917
	9/30/1987	5,651	5,028
	12/5/1987	20,040	10,986
	1/1/1988	62,965	33,627
	3/9/1989	36,812	28,573
	8/29/1989	12,097	868
	9/28/1990	5,153	456
	3/29/1991	11,675	285
	6/7/1991	205,580	176,804
	3/31/1992	38,753	5,978
	10/15/1992	195,955	17,011
	5/5/1993	8,813	7,492
	9/30/1994	84,043	25,200
	11/30/1994	9,038	0
	3/20/1997	30,157	815
	12/5/1997	24,631	21,644
	9/11/1998	304,533	240,551
	10/14/1998	5,569	4,398
	10/26/1998	9,565	7,573
	11/29/2002	14,270	14,035
	12/2/2002	106,700	104,996
	9/12/2003	126,683	123,493
	1/23/2004	193,381	189,725

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CTL/MTR/RELAYING-STN ALARM PNL	9/1/1967	78,851	41,895
	12/12/1980	21,602	9,343
	12/1/1982	33,165	17,383
	10/27/1984	2,121	1,501
	10/31/1985	3,649	2,586
	2/7/2000	95,935	90,541
CTL/MTR/RELAYING-SYNCH. PANEL	1/1/1967	34,449	0
	9/1/1967	47,991	28,546
	1/1/1970	16,954	0
CTL/MTR/RELAYNG-TEMP/FREQ PNL	12/1/1966	11,395	11,380
	1/1/1967	19,139	0
	9/1/1967	62,541	37,201
	1/1/1970	9,408	0
	7/3/1977	5,941	0
	3/3/1981	6,735	0
CTL/MTR/RELAYING-TIME ERR PNL	1/1/1967	19,139	0
	12/12/1980	30,861	13,348
CTL/MTR/RELAYING-UNIT CTL PNL	1/1/1967	236,217	101,386
	9/1/1967	568,982	171,555
	1/1/1978	19,561	7,264
	1/1/1979	121,313	60,262
	12/12/1980	15,430	6,674
	12/1/1982	174,608	103,861
	10/1/1985	21,547	10,281
	1/11/1986	2,807	1,299
	3/9/1989	3,039	2,308
	9/28/1990	95,954	4,943
	11/19/1995	12,047	9,935
	6/8/1998	263,865	0
	10/14/1998	56,698	54,777
	7/1/2003	27,074	26,785
CTL/MTR/RELAYING-UNIT PROT PNL	9/1/1967	805,096	604,028
	1/1/1979	35,219	16,633
	12/12/1980	157,389	68,076
	12/1/1982	30,685	17,987
CTL/MTR/RELAYING-VOLT/MW PNL	1/1/1967	19,097	0
	9/1/1967	91,643	54,511
	1/1/1970	9,506	0
	1/22/1988	16,900	0
COOLING SYSTEMS	12/1/1966	160,607	141,891
	12/31/1977	283,921	0
	1/1/1979	137,803	0
	12/1/1982	115,240	26,523
	12/1/1984	268,074	131,032
	12/1/1988	17,475	10,434
	1/13/1989	129,471	0
COUNTERPOISE	1/21/1983	1,873	1,657
	12/23/1983	9,991	9,283
	8/2/1985	214,651	211,448
	7/1/2003	352,910	351,186
CRANE - OVERHEAD	8/2/1985	123,618	116,103
CRANE - POWER HOUSE	12/1/1966	658,978	653,239
	1/1/1967	189,000	79,610
	1/1/1979	597,577	595,211
	12/1/1982	1,501,411	1,499,177
	12/1/1984	993,957	993,511
	12/1/1988	304,606	303,674

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/1/2003	1,560,150	1,559,018
DAMS AND DYKES	2/1/1956	615,306	507,708
	12/1/1966	21,953,848	21,785,056
	1/1/1967	19,677,000	12,460,009
	6/1/1970	306,825	121,970
	1/1/1978	2,000,000	1,998,787
	1/1/1979	16,874,309	16,869,986
	11/2/1982	3,233	3,231
	12/1/1982	28,489,817	28,487,194
	8/31/1983	6,587	6,475
	11/11/1983	31,318	30,784
	11/13/1983	5,898	5,898
	11/15/1983	18,791	18,471
	12/1/1984	81,495,565	81,494,467
	1/1/1985	17,245	16,913
	11/1/1985	3,217	3,119
	10/1/1986	43,674	20,818
	11/1/1986	5,129	5,124
	12/1/1988	6,557,552	6,555,720
	12/10/1988	715,881	714,216
	11/11/1989	7,221	7,071
	11/22/1989	263,425	252,055
	12/31/1992	20,123	17,641
	12/13/1993	4,712	4,706
	9/30/2005	134,298	133,403
DIESEL ENGINES - DIESEL GEN	7/1/2003	208,671	196,374
DISCONNECT SWITCHES	9/10/1965	265,793	29,519
	1/1/1967	9,052	880
	1/2/1967	11,699	3,802
	5/15/1967	517	40
	6/12/1967	32,482	30,209
	9/1/1967	11,480	1,405
	10/15/1968	15,981	3,695
	1/1/1970	112,839	31,721
	12/1/1970	48,724	45,330
	9/10/1972	45,378	0
	9/10/1974	44,780	38,513
	1/1/1976	14,736	9,469
	6/12/1977	169,380	158,009
	1/1/1978	14,951	14,270
	9/10/1980	80,743	71,444
	11/5/1980	37,049	29,314
	12/12/1980	20,913	17,043
	10/2/1982	30,865	28,396
	12/11/1982	38,905	35,593
	8/5/1983	8,729	8,133
	8/25/1983	33,870	31,562
	12/31/1987	829	738
	3/9/1989	1,348	1,024
	9/10/1989	207,090	178,110
	1/9/1990	24,008	22,504
	10/15/1992	147,553	12,805
	10/7/1998	40,775	0
	7/1/2002	59,650	59,014
	8/1/2002	27,577	27,130
	12/17/2002	40,943	39,544
	7/1/2003	21,217	20,991

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
DRAFT TUBE LINER	1/1/1967	50,000	15,245
	1/1/1970	25,000	23,945
	11/1/1977	220,107	196,850
	12/12/1980	62,550	58,710
FENCING	1/1/1967	4,540	264
	1/1/1970	7,664	936
	1/1/1976	13,963	8,972
	1/1/1980	12,680	0
	12/12/1980	127,158	0
	10/2/1982	7,811	7,186
	12/11/1982	25,719	23,530
	1/20/1983	147,725	0
	12/1/1984	53,086	16,296
	8/2/1985	222,662	0
	6/7/1991	38,931	33,482
	10/15/1992	12,256	1,064
	6/8/1998	41,752	0
	7/1/2002	30,278	29,955
	12/22/2003	224,363	212,731
FIRE FIGHTING-BLDG FIRE PROT	2/23/2001	180,526	167,175
FIRE FIGHTING-DELUGE SYS XFMRS	9/1/1967	542,602	171,962
	12/12/1980	58,659	0
FIRE FIGHTING - OTHER	12/1/1984	29,804	28,230
	8/2/1985	79,559	38,883
	3/1/2002	83,932	79,152
	11/1/2002	105,444	99,869
FIRE FIGHTING-PWRHSE PROT SYS	1/1/1967	40,000	0
	7/2/1976	3,901	0
	1/1/1978	154,761	0
	1/1/1979	95,667	0
	10/1/1979	6,403	5,842
	12/1/1982	406,786	93,625
	2/17/1983	46,827	31,427
	4/16/1983	1,838	0
	5/6/1983	2,060	620
	1/1/1984	59,677	22,011
	12/1/1984	549,190	268,438
	3/31/1985	64,031	28,608
	6/1/1985	28,146	13,086
	12/31/1985	7,241	3,321
	7/18/1987	13,571	6,856
	12/12/1987	3,902	2,048
	12/1/1988	90,014	53,746
FOOTINGS (CONC)-STL STRUCTURE	12/12/1980	210,710	171,715
	7/1/2003	638,612	635,493
FOUNDATIONS (CONC) FOR BLDGS	12/11/1982	167,981	150,245
	8/2/1985	25,640	0
	12/10/1988	8,457	8,437
FOUNDATIONS (CONC) FOR EQUIP	1/1/1967	1,596	93
	1/1/1970	21,450	4,959
	1/1/1976	34,428	22,123
	10/2/1982	61,001	56,123
	12/11/1982	14,869	13,604
	1/21/1983	497,032	439,788
	6/7/1991	365,309	301,501
	10/15/1992	141,446	12,280
	6/8/1998	114,132	0

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/1/2003	402,270	397,770
FUEL OIL STORAGE TANKS	12/1/1966	20,792	17,533
	1/1/1979	3,646	0
FUEL OIL SYSTEMS	12/19/2005	235,901	235,635
FUEL STORAGE TKS - UNDERGROUI	12/19/2005	93,364	93,259
GATES - HEATING SYSTEM	1/1/1967	13,388	1,758
	1/1/1970	35,718	26,110
	1/1/1978	11,708	0
	12/12/1980	5,260	4,937
	1/21/1983	3,876	3,747
	2/17/1983	8,842	5,934
	12/10/1988	27,103	27,040
GATES - HOIST	1/1/1967	42,000	13,607
	1/1/1970	341,684	290,119
	1/1/1978	255,985	228,936
	1/1/1979	116,339	109,197
	12/12/1980	958,775	899,912
	1/21/1983	1,877,692	1,815,457
	2/17/1983	9,324	6,258
	8/2/1985	185,213	182,449
	10/11/1986	11,838	10,465
	1/31/1988	300,057	299,864
	12/10/1988	348,971	348,160
	3/9/1989	152,957	147,795
GATES - DRAFT TUBE	1/1/1967	50,000	16,201
	1/1/1979	62,031	58,223
	12/1/1982	302,445	292,421
GATES - EMERGENCY	1/1/1967	84,000	27,214
	12/12/1980	96,958	91,005
GATES - WATER CONTROL	12/1/1966	2,002,094	1,603,971
	1/1/1967	915,169	703,380
	1/1/1979	1,240,959	1,165,628
	12/1/1982	3,780,184	3,698,104
	1/21/1983	40,620	39,274
	2/17/1983	72,812	48,867
	12/1/1984	1,120,133	1,103,418
	4/10/1986	127,625	126,032
	12/1/1988	326,595	315,575
	12/10/1988	12,156	12,128
	10/24/2004	439,111	436,274
GENERATOR - OTHER	1/1/1967	1,105,657	317,701
	9/1/1967	5,014,749	1,531,864
	1/1/1970	651,360	446,410
	6/1/1975	97,958	0
	12/10/1977	1,035,087	924,743
	12/12/1980	1,099,330	1,031,840
	1/1/1982	43,627	0
	12/1/1982	1,963,875	1,898,784
	2/1/1985	3,289,897	3,240,804
	6/7/1988	75,452	46,094
	3/9/1989	77,522	74,906
	3/24/1989	77,566	58,058
	9/24/1990	68,093	64,668
	10/25/1990	14,722	13,971
	11/23/1990	71,785	70,158
GENERATOR - ROTOR	12/1/1966	18,140	15,803
	1/1/1967	919,672	298,740

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/1/1967	1,402,748	322,853
	1/1/1970	896,718	858,882
	11/1/1977	1,486,931	1,328,426
	12/12/1980	1,163,226	1,091,813
	12/1/1982	2,569,160	2,484,008
	2/1/1985	2,351,578	2,316,487
	3/9/1989	536,259	518,164
	7/1/2003	9,866,590	9,819,243
GENERATOR - STATOR	1/1/1967	416,069	135,153
	1/1/1970	400,731	274,600
	11/1/1977	663,091	592,406
	12/12/1980	581,952	546,225
	12/1/1982	1,140,688	1,102,881
	2/1/1985	2,984,692	2,940,154
	3/9/1989	482,016	465,751
GOVERNOR	1/1/1967	62,233	18,974
	1/1/1970	63,822	43,734
	11/1/1977	143,225	128,092
	12/12/1980	251,003	235,594
	1/1/1982	44,715	0
	12/1/1982	2,261,134	2,186,191
	2/1/1985	1,923,369	1,894,668
	10/27/1996	11,439	8,552
	9/26/2002	594,634	575,480
	7/1/2003	623,151	620,108
GREASING SYSTEMS - AUTOMATIC	1/1/1967	29,677	4,299
	1/1/1970	10,678	7,317
GROUND WIRE - OVERHEAD	12/12/1980	4,570	3,724
	1/21/1983	43,010	38,056
	12/23/1983	77,097	71,633
	8/2/1985	91,337	89,974
	7/1/2003	28,182	28,044
GROUND WIRE - POLE	1/21/1983	9,319	8,246
GROUNDING	1/1/1967	32,000	0
	1/1/1970	39,172	12,234
	1/1/1976	4,624	2,971
	1/1/1978	25,250	22,582
	12/12/1980	222,505	181,328
	10/2/1982	39,983	36,786
	12/11/1982	86,601	79,229
	1/21/1983	116,800	103,348
	12/23/1983	1,900	1,772
	8/2/1985	364,366	340,440
	1/31/1988	1,284	1,284
	3/9/1989	127,404	115,060
	6/7/1991	109,009	93,751
	10/15/1992	68,818	5,975
INSULATORS - PIN TYPE	3/9/1989	240	182
INSULATORS - POST TYPE	10/2/1982	867	798
	12/11/1982	28,660	26,220
	1/21/1983	1,276	1,129
	3/9/1989	68,138	51,745
	6/7/1991	79,015	67,956
	10/15/1992	168,578	14,636
INSULS-SUSPENSION (50KV & UP)	12/11/1982	13,252	12,124
	1/21/1983	314,641	278,402
	12/23/1983	247,667	230,134

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/2/1985	948,362	934,210
	6/7/1991	135,815	45,831
	10/15/1992	83,515	7,251
	7/1/2003	1,024,179	1,018,764
	11/30/2005	163,246	162,478
INSULS-SUSPENSION (BELOW 50KV)	3/9/1989	10,035	7,621
INTAKE STRUCTURES	12/1/1966	3,784,392	3,770,795
	1/1/1967	1,784,000	1,149,294
	1/1/1979	1,454,249	1,453,877
	12/1/1982	5,039,575	5,039,237
	1/21/1983	16,004	16,004
	12/1/1984	3,401,784	3,396,756
	12/22/1989	6,769	6,766
	9/30/1994	5,241	5,239
	12/15/1997	10,572	10,552
	11/15/2002	24,045	20,813
	7/1/2003	4,982,964	4,979,347
L.V. SWITCHING - BUSWORK	12/12/1980	193,291	181,424
	12/1/1982	341,312	330,000
	2/1/1985	618,201	608,976
	8/2/1985	206,068	203,128
LV SWITCHING-CIRC.BKRS/RECLSRS	12/12/1980	54,030	50,713
	12/1/1982	383,986	371,259
	1/21/1983	41,070	24,428
	8/2/1985	206,068	202,858
LV SWITCHING-DISCONN. SWITCHES	1/2/1967	5,120	1,664
	12/12/1980	21,641	20,313
	1/21/1983	16,885	10,043
LV SWITCHING GRNDING XFMRS	3/9/1989	13,381	12,930
LV SWITCHING - INST XFRMRS	1/2/1967	6,303	2,049
	1/1/1970	5,070	3,474
	1/1/1978	42,949	38,411
	12/12/1980	16,407	15,399
LV SWITCHING-LIGHTNING ARREST.	12/12/1980	9,457	8,877
LAND ACQUISITIONS	6/1/1990	19,918	19,918
	4/15/1991	4,750	4,750
	7/25/1991	20,250	20,250
	6/23/1993	5,000	5,000
	8/15/1996	8,100	8,100
	1/31/1997	7,500	7,500
	9/12/1997	4,500	4,500
LAND IMPROVEMENTS	1/1/1967	40,638	2,366
	1/1/1976	28,687	18,433
	1/1/1977	270,557	183,503
	1/1/1978	56,772	0
	12/12/1980	85,606	80,351
	12/11/1982	157,103	143,730
	12/16/1983	6,524	6,399
	8/2/1985	211,944	208,781
	9/30/1985	9,384	9,143
	10/18/1985	6,425	6,309
	8/1/1987	239,282	228,884
	12/1/1988	16,218	0
	3/9/1989	32,208	31,121
	11/22/1989	41,731	39,929
	6/1/1990	32,633	14,397
	6/7/1991	202,067	145,037

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/31/1991	6,948	5,169
	12/12/1991	7,522	818
	4/30/1992	15,989	11,591
	10/15/1992	79,024	6,861
	11/30/1996	37,327	35,801
	6/8/1998	255,967	0
	12/1/1999	35,306	28,147
	7/1/2003	228,663	226,224
LIGHTING SYSTEM - SWITCHYARD	1/1/1967	546	0
	1/1/1970	6,629	1,430
	1/1/1976	975	626
	10/2/1982	1,898	1,746
	12/11/1982	6,656	6,089
	8/2/1985	3,563	1,741
	6/7/1991	17,219	14,809
	10/15/1992	2,736	238
LIGHTING SYS 600/120 V OUTDOOR	1/1/1967	9,500	0
	7/2/1976	3,432	0
	1/1/1978	38,086	0
	12/12/1980	12,894	0
LIGHTNING ARRESTOR	1/2/1967	44,408	14,433
	1/1/1970	35,722	24,478
	11/30/1978	742	535
	12/12/1980	290	126
	10/2/1982	25,686	23,632
	3/9/1989	340	258
	1/12/1990	6,074	0
	12/14/2005	21,222	21,215
METERING TANKS	4/16/1968	5,533	5,091
METERS - DEMAND	10/7/1998	12,679	0
METERS - OTHER	7/1/2003	7,643	7,561
MISC UNITS OF PROP	12/1/1966	24,595	17,928
	1/1/1967	133,478	6,837
	10/15/1968	31,320	29,416
	1/1/1970	689,221	586,503
	1/1/1974	21,000	10,329
	1/1/1978	307,737	266,878
	12/12/1980	124,317	93,649
	12/16/1981	3,319	0
	1/21/1983	2,213,511	2,114,889
	8/1/1985	6,022	2,943
	8/2/1985	703,630	690,403
	3/9/1989	208,759	175,358
	1/5/1990	18,510	17,881
	9/24/1990	9,464	9,143
	10/15/1992	118,409	10,280
	5/23/1997	121,504	0
	6/8/1998	31,426	0
	12/18/2002	36,867	32,660
PENSTOCK	12/1/1966	13,597,173	11,288,367
	1/1/1967	6,972,000	2,187,642
	6/1/1970	351,355	0
	1/1/1979	11,030,668	10,353,472
	12/1/1982	12,972,403	12,542,448
	8/2/1985	4,690,571	4,620,576
	3/9/1989	414,557	400,568
	7/1/2003	6,732,225	6,700,120

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Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	3/9/1989	118,922	99,659
	1/1/1995	33,234	16,264
	12/30/2000	871	724
	12/17/2002	78,387	75,708
POLE HARDWARE	12/30/2000	769	639
	12/17/2002	408,952	394,977
	12/31/2003	62	58
	12/31/2004	2,187	2,108
POLE STRUCTURES WOOD TYPE 1	1/1/1967	138,165	14,854
	1/2/1976	6,084	0
	1/21/1983	249,126	148,175
	8/2/1985	1,676,692	1,257,907
	10/15/1985	55,726	39,118
	10/24/1986	105,340	102,638
	1/31/1988	91,162	91,103
	4/30/1988	6,940	4,952
	11/30/1988	19,810	17,945
POLE STRUCTURES WOOD TYPE A	1/21/1983	2,382,844	2,092,184
	7/1/2003	3,876,059	3,857,130
POLE STRUCTURES WOOD TYPE AA	12/12/1980	67,676	55,151
	1/21/1983	123,463	109,244
	7/1/2003	304,026	302,541
POLE STRUCTURES WOOD TYPE AG	1/21/1983	24,693	21,849
POLE STRUCTURES WOOD TYPE AX	1/21/1983	61,732	54,622
POLE STRUCTURES WOOD TYPE B	1/21/1983	18,520	16,387
POLE STRUCTURES WOOD TYPE C	12/12/1980	32,455	26,449
	1/21/1983	55,562	49,163
POLE STRUCUTRES WOOD TYPE D	1/21/1983	92,598	81,933
POLE STRUCTURES WOOD TYPE E	12/12/1980	16,861	13,741
	1/21/1983	129,637	114,706
POLE STRUCUTRES WOOD TYPE EE	12/12/1980	30,427	24,796
	1/21/1983	37,039	32,773
POLE STRUCUTRES WOOD TYPE H	1/21/1983	37,039	32,773
POLE STRUCUTRES WOOD TYPE OT	12/12/1980	625,017	353,117
	1/1/1982	4,491	0
	1/21/1983	81,768	72,351
	3/9/1989	515,764	389,194
	6/7/1991	125,047	0
	10/15/1996	95,406	91,453
	6/8/1998	40,234	0
	10/7/1998	61,124	0
	12/17/2005	65,648	65,627
POLES-WOOD 35'	12/17/2002	146,421	141,418
	12/31/2004	957	922
POLES-WOOD 40'	1/4/1989	7,479	5,643
	3/9/1989	14,384	12,074
	12/30/2000	1,422	1,181
	12/17/2002	153,637	148,387
POLES-WOOD 45'	12/17/2002	51,176	49,427
POLES-WOOD 50'	12/17/2002	6,187	5,976
PWR SYS-SUPPLY SERV & EQP	7/1/2003	374,436	365,417
POWERHOUSE SUBSTRUCTURE	12/1/1966	6,297,632	6,242,789
	1/1/1967	3,536,129	1,860,250
	1/1/1970	2,413,680	2,311,835
	1/1/1979	6,553,175	6,527,233
	12/1/1982	12,552,647	12,533,967
	11/13/1983	488,521	486,264

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/1/1984	11,969,616	11,964,251
	12/1/1988	1,390,170	1,385,917
	6/7/1991	6,811	6,786
	2/28/1997	7,275	6,247
	7/1/2003	12,240,837	12,232,396
	12/31/2005	15,324	15,319
POWERHOUSE SUPERSTRUCTURE	12/1/1966	13,537	13,532
	1/1/1967	1,034,196	578,136
	1/1/1970	399,818	382,948
	1/1/1978	1,083,475	1,074,039
	1/1/1979	4,202	4,196
	12/12/1980	1,272,011	1,266,975
	1/1/1981	219,317	213,726
	2/16/1981	4,980	4,926
	4/1/1981	13,990	13,843
	9/18/1981	2,178	2,175
	11/17/1981	2,161	2,143
	1/21/1983	4,044,673	4,038,654
	6/10/1983	37,529	0
	8/31/1984	16,138	15,880
	8/2/1985	5,980,146	5,977,466
	8/5/1986	10,005	9,763
	12/25/1987	51,178	49,772
	12/30/1987	7,000	0
	3/9/1989	971,793	968,819
	1/27/1994	21,398	21,093
	1/1/1998	4,395	3,856
	1/7/1998	5,168	4,531
	7/1/2003	10,680,285	10,672,698
PROTECTIVE CTL & RELAY PNLS	9/1/1967	284,442	169,192
	7/1/2003	1,878,240	1,858,201
RECLOSERS	1/1/1975	5,614	0
	1/1/1976	13,304	8,549
	10/2/1982	28,197	25,942
	3/9/1989	30,828	23,414
	12/17/2002	34,019	32,856
RECLOSER BY-PASS SWITCHES	10/2/1982	7,773	7,151
	12/17/2002	2,029	1,960
RESERVOIR POWER - DIESEL UNIT	12/1/1966	295,412	212,349
	1/1/1970	12,000	11,494
	1/1/1979	2,388	1,656
	1/21/1983	43,498	25,872
RESERVOIR PWR - EMERG HYDRO	12/1/1966	30,849	29,547
	12/1/1982	162,324	162,220
REVENUE MTRING-SPEEDOMAX REC	7/21/1995	2,481	2,394
REVENUE MTRING-TERM. METERS	3/25/1988	4,351	0
REV MTRING-TRNSIENT FALT REC#8	10/19/2001	121,486	106,322
RIGHT - OF - WAYS	10/15/1968	122,189	99,578
	1/21/1983	403,844	337,817
	12/23/1983	1,018,730	937,770
	1/2/1985	1,538,323	1,515,368
	8/2/1985	175,261	131,486
	1/31/1988	1,799	1,798
	3/9/1989	141,482	107,444
	10/30/2002	1,173,178	1,167,449
	12/17/2002	55,794	53,888
ROADS	6/1/1970	113,241	0

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/12/1980	2,867,212	2,691,183
	1/21/1983	9,557,600	9,240,820
	11/15/1983	2,944	2,893
	12/1/1984	60,847,350	59,939,363
	8/2/1985	300,000	295,523
	10/31/1985	16,786	16,328
	12/1/1988	1,292,145	1,248,544
	10/15/1989	351,118	345,407
	11/22/1989	5,670	5,425
	6/7/1991	54,564	9,838
	10/10/2000	155,871	154,453
	7/1/2003	746,052	743,350
	10/28/2005	1,358,343	1,357,939
RUNNER	4/1/1967	1,513,610	1,132,060
	5/1/1967	2,271,057	1,781,025
	9/1/1967	1,446,026	1,066,883
	8/1/1968	1,448,949	1,073,677
	1/1/1970	1,458,565	1,203,149
	3/1/1970	1,392,381	1,151,733
	11/1/1977	130,312	116,543
	12/12/1980	50,343	47,253
	2/1/1985	1,763,272	1,736,960
	8/2/1985	881,634	868,478
	3/9/1989	583,446	563,759
	11/25/1994	16,158	11,954
	10/27/1996	64,271	48,054
SEWAGE DISPOSAL SYSTEM	1/1/1978	27,209	0
	12/12/1980	78,934	0
	12/11/1982	3,000	2,745
	1/21/1983	87,272	20,086
	12/1/1984	97,985	47,894
	3/9/1989	30,098	17,966
	7/31/2003	7,016	6,205
SPILLWAY STRUCTURES	2/1/1956	37,231	17,286
	12/1/1966	2,136,380	2,124,126
	1/1/1967	2,261,132	986,591
	1/1/1979	3,482,645	3,481,752
	12/1/1982	11,830,011	11,826,462
	11/13/1983	2,949	2,949
	1/1/1984	1,889	1,858
	12/1/1984	6,509,166	6,509,078
	3/31/1988	28,771	28,752
	9/30/1991	35,582	34,722
	12/31/1992	6,708	5,880
	7/1/2003	1,737,806	1,736,545
STATIC EXCITATION - EXCITER	9/1/1967	291,688	227,130
	8/1/1968	291,688	227,130
	1/1/1970	344,366	284,039
	3/1/1970	344,366	284,039
	12/12/1980	191,032	0
	12/1/1982	442,173	101,769
	2/1/1985	225,784	110,362
	11/1/1985	3,085	1,428
	12/12/1988	2,135	1,493
	3/9/1989	216,765	129,426
	8/9/1997	11,547	8,989
	12/4/2002	589,436	560,237

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Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/1/2003	590,425	568,522
	7/30/2004	625,276	611,882
	8/20/2004	7,931	7,771
STATIC EXCITATION - FIELD BKRS	1/1/1967	1,861	604
	12/12/1980	19,789	0
	12/1/1982	25,045	5,764
	7/30/2004	15,508	15,176
STATIC EXCITATION - OTHER	1/1/1967	37,221	12,089
	4/1/1967	310,233	245,721
	5/1/1967	310,233	245,721
	12/12/1980	32,738	0
	1/21/1983	46,600	10,724
	10/26/1998	20,098	15,914
STATIC EXCITATION - XFORMERS	1/1/1967	37,221	12,091
	1/1/1970	38,935	37,292
	11/1/1977	59,008	52,718
	1/1/1978	15,371	0
	12/29/1978	6,765	6,761
	12/12/1980	135,691	0
	12/1/1982	44,217	10,177
	2/1/1985	325,129	158,920
STN SERV-CTL OR RELAY BOARD	1/1/1967	15,159	0
	1/1/1979	129,219	105,307
	1/21/1983	130,902	115,826
	8/2/1985	298,138	280,014
STATION SERVICE - OTHER	1/1/1979	51,453	41,932
	8/2/1985	34,323	32,236
	11/30/1988	16,820	15,236
	12/9/1988	8,504	7,697
STATION SERVICE - PANEL	12/1/1966	383,387	307,600
	12/12/1980	27,531	22,436
	1/21/1983	440,489	389,757
	8/2/1985	50,835	47,745
	3/9/1989	79,495	72,413
	4/5/1991	2,775	97
STATION SERVICE - TRANSFORMER	12/12/1980	39,167	31,919
	1/21/1983	202,385	179,077
	8/2/1985	117,553	110,407
	3/9/1989	17,465	13,264
STOP LOGS	1/1/1967	8,000	2,592
	1/1/1970	20,000	19,156
	1/1/1978	95,459	67,827
	1/1/1979	499,470	476,906
	12/1/1982	979,728	971,479
	1/22/1983	12,373	11,963
	12/10/1988	65,388	65,236
	1/19/1999	22,847	21,832
	5/8/2003	135,012	132,536
STORM DRAINAGE SYSTEM	12/12/1980	56,568	0
	1/21/1983	237,980	54,765
	8/2/1985	203,409	99,412
	10/15/1992	39,856	3,460
STRUCTL SUPPS (WOOD & STEEL)	1/1/1967	143,844	8,375
	1/1/1970	241,444	68,773
	12/12/1980	62,808	51,184
	10/2/1982	57,994	53,356
	12/11/1982	170,004	155,532

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/21/1983	138,040	122,142
	6/7/1991	289,897	249,322
	10/15/1992	482,677	41,194
	6/8/1998	183,472	0
	7/1/2002	56,000	55,403
	12/17/2002	6,311	6,096
	7/1/2003	85,634	84,720
	12/31/2003	6,696	6,626
SUMP PUMPS	12/1/1966	62,921	58,223
	1/1/1979	54,057	0
	8/2/1985	1,426	697
	12/1/1988	21,760	12,993
	12/10/1999	22,854	20,735
SURGE TANK	12/1/1966	1,308,305	924,205
	1/1/1967	2,334,768	693,982
	12/31/2005	5,473	5,471
SURGE TANK HEATING SYSTEM	12/1/1966	271,796	254,784
	9/9/2002	299,651	256,990
SWITCHGEAR	8/2/1985	2,461,121	2,304,000
	3/9/1989	84,616	77,078
	7/1/2003	1,016,157	1,005,315
TAILRACE CHANNEL	1/1/1967	1,128,000	714,452
	1/1/1970	1,473,000	1,464,551
	1/1/1978	1,644,386	1,643,199
	12/12/1980	993,541	993,286
	1/1/1982	26,669	0
	1/21/1983	13,093,884	13,093,007
	8/1/1985	1,174,151	1,174,135
	3/9/1989	178,821	178,771
	7/1/2003	10,287,124	10,286,069
TOWERS - METAL GUYED	1/21/1983	193,937	171,601
	12/23/1983	4,917,771	4,551,721
	8/2/1985	14,909,455	14,670,598
	7/1/2003	4,195,003	4,174,516
TRANSFORMERS-CURRENT	9/10/1965	672,789	88,951
	1/1/1967	60,849	33,333
	6/12/1977	85,065	71,453
	9/10/1980	67,333	59,578
	11/5/1980	21,671	17,146
	12/12/1980	23,059	19,001
	9/10/1989	146,016	125,582
TRANSFORMERS-GROUNDING	1/2/1967	1,671	543
	4/1/1967	4,746	2,534
	5/1/1967	4,746	2,534
	9/1/1967	4,746	2,534
	8/1/1968	4,746	2,534
	1/1/1970	6,090	3,455
	3/1/1970	4,746	2,534
	11/1/1977	7,369	3,935
	1/1/1978	35,658	31,890
TRANSFORMERS-OTHER	9/10/1972	46,105	0
TRANSFORMERS-PAD TYPE-750KVA	12/1/1966	108,835	77,334
	1/1/1967	85,000	0
TRANSFORMERS-POLE TYPE-10KVA	10/2/1982	1,195	1,099
	12/17/2002	1,363	1,316
TRANSFORMERS-POLE TYPE-167KV	1/1/1978	10,884	7,734
	1/21/1983	17,081	10,159

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Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/30/1988	21,295	19,290
TRANSFORMERS-POLE TYPE-25KVA	1/21/1983	1,651	982
TRANSFORMERS-POLE TYPE-37.5KV	1/21/1983	2,457	1,462
TRANSFORMERS-POLE TYPE-50KVA	1/31/1988	14,763	14,754
	12/17/2002	7,466	7,211
TRANSFORMERS - POLE TYPE-75KV	1/31/1988	8,110	8,105
	7/1/2003	53,231	52,663
TRANSFORMERS - POTENTIAL	9/10/1965	222,851	19,389
	10/15/1968	12,836	11,773
	12/31/1973	2,333	1,160
	1/1/1974	6,659	3,275
	9/10/1974	6,230	4,003
	6/12/1977	54,989	49,629
	1/1/1978	115	83
	12/31/1978	2,148	1,600
	9/10/1980	45,718	40,453
	11/5/1980	17,719	14,020
	12/12/1980	11,753	9,578
	6/12/1981	8,898	8,771
	1/21/1983	5,651	5,000
	8/25/1983	9,195	0
	12/22/1983	11,337	10,576
	1/1/1984	12,657	11,739
	9/10/1984	14,438	13,560
	3/9/1989	18,748	17,078
	12/31/1991	110,241	88,430
	10/15/1992	1,560	135
	9/24/1998	8,898	6,298
	7/1/2002	51,852	51,299
TRANSFORMERS - POWER	9/10/1965	1,456,562	254,091
	10/15/1967	110,157	11,003
	12/9/1977	1,131,654	801,206
	9/10/1980	1,800,526	1,593,166
	12/12/1980	1,008,372	811,308
	10/2/1982	148,518	136,641
	1/21/1983	6,512	5,762
	8/2/1985	3,248,503	3,020,307
	3/9/1989	224,566	170,557
	7/1/2002	1,817,289	1,797,905
	5/10/2004	6,668	6,622
TRANSFORMERS - UNIT SERVICE	7/1/2003	185,971	183,987
TRASH RACK	12/1/1966	137,480	97,689
	1/1/1967	140,478	48,855
	1/1/1979	62,488	58,652
	12/1/1982	311,127	300,815
	12/1/1984	195,768	192,847
	12/18/1998	22,751	21,178
TUNNELS	12/1/1984	22,443,376	22,443,074
	8/1/1985	5,337,894	5,337,822
	12/1/1988	3,300,335	3,299,414
TURBINES	1/1/1967	1,304,744	397,803
	4/1/1967	434,915	132,602
	1/1/1970	1,666,673	1,142,085
	6/1/1975	101,873	0
	1/1/1978	4,112,712	3,612,172
	1/1/1980	34,823	32,011
	12/12/1980	2,631,867	2,470,287

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/1/1982	7,091,357	6,856,323
	2/1/1985	10,927,015	10,763,958
	4/1/1987	8,893	7,747
	12/1/1988	72,469	70,024
	12/23/1988	8,720	7,496
	3/9/1989	1,572,191	1,519,141
	7/1/2003	11,612,136	11,556,327
UNDERGROUND STORAGE TANKS	12/1/1966	63,086	36,784
	1/21/1983	13,062	3,006
	12/1/1984	39,201	19,161
	1/31/1988	9,753	9,747
VALVES - PENSTOCK	1/1/1967	1,415,205	463,693
	1/1/1970	487,800	334,264
	6/1/1975	14,301	0
	1/1/1982	22,219	0
	2/1/1985	2,593,993	2,555,284
	12/23/1988	2,432	2,091
	10/31/2001	194,936	165,571
	7/4/2003	236,497	209,156
	6/18/2004	211,352	195,260
	9/13/2005	212,318	212,191
VALVES - RELIEF	11/1/1977	104,000	93,011
VOLT REGULATOR BYPASS SWS	10/2/1982	5,655	5,203
VOLTAGE REGULATORS	10/2/1982	51,840	47,695
	1/21/1983	36,438	21,672
WATER REGULATING STRUCTURES	12/1/1966	781,461	748,827
	1/1/1967	2,271,900	1,305,461
	1/1/1979	1,923,424	0
	7/2/1980	22,093	22,001
	12/1/1982	9,932	9,466
	10/12/1985	5,067	0
	7/1/2003	14,157,266	14,095,112
WATER SUPPLY SYSTEM	1/1/1979	166,186	0
	12/1/1982	69,661	16,033
	8/2/1985	311,898	152,434
	12/1/1988	87,129	52,023
	3/20/1992	11,344	2,522
WATER SUPPLY SYSTEM - OTHER	11/5/1999	18,117	16,352
	8/31/2003	35,156	31,239
	10/10/2005	38,829	38,826
WATER SUPPLY SYSTEM - WELL	12/1/1966	36,616	0
	1/1/1978	38,093	0
	7/18/1986	10,359	0
	8/15/1987	11,466	1,872
	3/20/1992	12,002	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Thermal Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
AUXILIARY POWER - DIESEL UNIT	4/2/1971	54,985	0
BATTERY-DC DISTRIBUTION BRD.	12/31/1996	141	0
	12/31/2001	8,259	6,608
BATTERY BANKS	8/30/2004	35,903	33,975
BATTERY CHARGERS	10/15/1968	62,070	55,992
	1/1/1970	5,303	3,677
	12/31/2001	37,967	30,373
BOILER STEAM GENERATORS	2/1/1980	137,316	28,777
	5/3/1986	2,072	770
BOILER VENTS AND DRAINS	10/15/1968	121,902	85,332
	10/15/1979	243,804	170,663
	2/8/2001	408,655	308,194
BUILDINGS-AUXILIARY BUILDING	11/14/2004	88,400	81,600
BUILDINGS-CONCRETE	1/1/1970	13,972	3,230
	1/1/2001	38,280	28,391
BUILDINGS-METAL	1/1/1979	123,987	34,308
BUILDINGS-OFF LOADING MODULE	11/14/2004	31,219	28,817
BUILDINGS-WOODEN	12/30/2003	171,650	150,615
	12/3/2004	715,638	667,434
BUSWORK AND HARDWARE	1/1/1979	137,945	38,170
	7/6/1982	12,056	10,759
CABLE-COMMUNICATIONS-OPTIC	11/14/2004	89,750	82,846
CABLE TRNCH/DUCT/EMBED CONDU	1/1/1979	76,360	21,129
CABLES - CONTROL	1/1/1979	57,423	15,889
	7/6/1982	20,081	17,920
	9/12/1984	1,794	1,665
	8/28/1986	1,183	1,080
	12/31/1986	2,292	2,073
	3/30/1990	2,501	1,822
	11/30/1994	50,209	33,480
CABLES - TRAYS AND CONDUIT	1/1/1979	17,293	4,785
CIRCUIT BREAKERS	8/11/1968	16,465	0
	1/1/1970	844,949	269,358
	1/1/1977	17,615	11,947
	1/1/1979	77,376	21,410
	7/6/1982	162,516	145,029
	3/27/1995	36,965	15,825
	12/31/2001	18,559	14,847
CIRCULATING WATER - PUMPS	10/15/1979	1,107,383	858,221
COMPRESSED AIR SYS-AIR RECIEV	1/1/1970	4,000	925
COMPRESSED AIR SYS-COMP & DRS	9/26/1991	39,299	0
COMPRESSED AIR SYS-INTR AIR DR	1/1/1970	500	116
	1/26/1995	20,760	8,770
COMPRESSED AIR SYS- OTHER	1/1/1970	18,589	4,297
	1/1/1979	8,432	2,333
CTL/METER/RELAYING - OTHER	1/1/1970	208,497	51,961
	1/1/1979	96,220	26,625
	1/1/1980	4,959	3,836
	7/6/1982	83,328	74,361
	11/1/1982	16,816	15,030
	5/25/1984	4,115	3,811
	9/1/1984	12,909	11,980
	8/28/1986	13,404	12,235
	12/31/1986	30,955	27,999
	9/28/1990	24,654	9,629
	5/14/1992	97,243	4,235

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Thermal Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/7/1995	7,785	5,202
COOLING SYSTEMS	10/18/1988	15,097	0
	8/29/2003	36,319	31,156
DISCONNECT SWITCHES	10/15/1968	6,333	1,464
	1/1/1970	388,124	176,899
	1/1/1979	4,293	1,188
	12/14/2005	16,884	16,879
ENVIRONMENTAL EQUIPMENT	3/23/2000	395,376	280,058
	3/19/2001	2,680	1,385
	12/12/2003	815,776	715,804
FENCING	1/1/1970	35,482	35,080
	1/1/1980	13,312	0
	11/14/2004	12,021	11,096
FIRE FIGHTING-BLDG FIRE PROT	10/15/1968	83,176	70,976
	5/31/2002	10,763	9,184
FIRE FIGHTING - OTHER	12/31/2005	55,242	54,935
FOUNDATIONS (CONC) FOR BLDGS	1/1/1970	2,466	570
FOUNDATIONS (CONC) FOR EQUIP	1/1/1970	58,569	13,538
	1/1/1979	262,534	72,645
	7/6/1982	6,590	5,881
	2/8/2001	31,630	23,854
FUEL OIL SYSTEMS	10/15/1968	438,111	0
	12/31/1996	31,346	30,471
	12/15/2001	712,706	567,195
GENERATOR - OTHER	10/15/1979	786,016	272,922
GENERATOR - STATOR	8/23/1999	165,900	100,687
	12/31/2001	97,014	77,611
	8/20/2003	119,804	102,773
GOVERNOR	9/25/2003	1,003,259	865,557
GROUNDING	1/1/1970	33,757	7,803
	1/1/1979	51,914	14,365
	7/6/1982	2,380	2,124
HP FEED-CLOSED TYPE HEAT EXCH	10/15/1968	1,356,618	0
INSTRUMNTATION-STM TEMP CTLS	11/30/2004	1,499,069	1,390,328
	9/30/2005	1,016,400	993,813
INSULATORS - POST TYPE	1/1/1979	38,115	10,547
INSULS-SUSPENSION (50KV & UP)	1/1/1977	856	580
	7/6/1982	1,039	927
INVERTERS	10/15/1979	110,955	88,764
	1/19/2000	18,911	13,238
	12/31/2001	110,955	88,764
LAND ACQUISITIONS	2/22/2001	1,000	1,000
LAND IMPROVEMENTS	1/1/1977	990	671
	12/11/1987	32,002	28,475
	11/14/2004	102,617	94,724
LIGHTING SYSTEM - SWITCHYARD	1/1/1970	12,593	2,911
	1/1/1979	81,943	22,674
LIGHTNING ARRESTOR	10/15/1968	16,174	3,740
MISC UNITS OF PROP	10/15/1968	621,821	509,039
	1/1/1970	7,153	1,653
	12/31/2003	59,397	34,648
PWR SYS-SUPPLY SERV & EQP	11/14/2004	29,434	27,170
POWERHOUSE - AUX STEAM SYS	11/30/2000	107,639	79,832
POWERHOUSE SUPERSTRUCTURE	12/24/1987	86,528	0
	11/17/1995	148,263	0
PROTECTIVE CTL & RELAY PNLS	10/15/1968	57,082	0
SEWAGE DISPOSAL SYSTEM	12/31/2002	355,827	294,875

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Thermal Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STACK LINERS	10/15/1968	1,950,832	1,683,070
STATIC EXCITATION - EXCITER	10/15/1968	325,618	238,787
	9/5/2000	329,058	241,309
	1/1/2001	16,589	12,441
STATION SERVICE - TRANSFORMER	10/15/1968	3,119	3,015
STREET LIGHTS - 150 HPS	12/31/2005	757	754
STRUCTL SUPPS (WOOD & STEEL)	1/1/1970	211,090	47,057
	1/1/1979	302,860	83,803
	7/6/1982	4,659	4,157
	10/19/1982	46,530	42,489
	11/25/1988	1,168	1,053
	12/29/1989	5,247	0
	8/27/1991	570	545
TOOL'S & EQUIPMENT - GENERAL	1/1/1980	52,813	10,954
	2/8/2001	30,649	23,115
	11/14/2004	82,300	75,969
TRANSFORMERS-CURRENT	1/1/1970	290,376	123,445
TRANSFORMERS-PAD TYPE-1500KV/	10/13/1996	106,763	103,700
TRANSFORMERS - POTENTIAL	1/1/1970	76,162	61,469
	1/1/1979	383	106
	7/10/1982	4,533	4,167
TRANSFORMERS - POWER	8/11/1968	58,861	0
	1/1/1970	3,325,794	363,329
	1/1/1980	90,472	27,193
	11/25/1988	133,621	0
	12/31/2001	3,368	3,315
WATER TREATMENT - OTHER	1/1/1969	177,016	155,323

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	4/2/1973	747	0
	11/17/2005	25,531	25,248
BATTERY CHARGERS	11/1/1982	19,284	0
	12/21/2005	31,749	31,616
BUILDINGS-MAINTENANCE BUILDINC	1/15/1973	221,840	43,444
BUILDINGS-METAL	1/1/1965	496,681	0
BUILDINGS-TRAILERS	4/2/1973	55,392	0
	5/21/1985	1,126	0
BUILDINGS-WOODEN	1/1/1979	7,947	0
	5/2/1981	3,061	0
	12/12/1994	53,407	23,811
	6/8/2001	3,247	2,502
	6/15/2001	4,554	2,350
BUSWORK AND HARDWARE	8/13/1995	55,144	35,997
CABLE TRNCH/DUCT/EMBED CONDU	8/13/1995	86,202	56,271
CABLES - CONTROL	8/13/1995	15,747	10,280
CABLES - POWER CABLE	1/1/1965	5,372	0
	4/2/1973	1,019	0
	1/15/1991	14,144	7,072
	8/13/1995	5,464	3,566
COMPRESSED AIR STARTING SYSTE	1/1/1965	8,181	0
	4/1/2001	11,386	8,682
COMPUTERS	12/16/1994	43,012	19,176
	9/7/1996	114,199	63,702
CTL/METER/RELAYING - OTHER	11/8/1986	798	33
CTL/MTR/RELAYING-UNIT PROT PNL	8/13/1995	17,316	11,303
COOLING SYSTEMS	1/1/1965	49,715	0
	4/2/1973	19,339	0
	6/17/1981	15,968	0
	11/1/1982	52,166	0
DIESEL ENGINES - EMERG DIESEL	12/12/2005	97,543	97,136
DIESEL ENGINES - DIESEL GEN	1/1/1965	146,846	0
	4/2/1973	155,021	0
	12/1/1980	226,408	0
	6/17/1981	69,342	0
	11/1/1982	277,231	0
	11/10/1984	6,880	0
DIESEL ENGINES	1/1/1965	497,617	0
	4/2/1973	239,783	0
	12/1/1980	471,701	0
	12/16/1980	333,745	0
	6/17/1981	158,204	0
	11/1/1982	568,457	0
	12/1/1987	14,843	1,422
	12/2/1991	190,177	56,261
	12/16/1994	388,234	173,088
	11/5/1995	238,526	230,711
	2/3/2005	46,717	44,575
DISCONNECT SWITCHES	1/1/1981	4,308	0
	11/15/1989	14,712	6,783
FENCING	1/15/1973	24,667	17,061
	8/13/1995	15,119	9,869
FIRE FIGHTING-BLDG FIRE PROT	1/15/1973	21,689	13,014
FOUNDATIONS (CONC) FOR BLDGS	1/1/1965	167,301	0
	4/2/1973	8,155	0
FOUNDATIONS (CONC) FOR EQUIP	4/2/1973	936	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/1/1980	49,653	0
	6/17/1981	61,550	0
	8/13/1995	60,943	39,782
FUEL OIL STORAGE TANKS	6/25/1974	60,213	31,509
	9/7/1996	60,213	31,509
	5/31/2001	14,422	11,794
	12/21/2005	4,035	4,018
FUEL PIPE & TRANS FACILITIES	4/2/1973	3,244	0
	12/15/1990	100,787	24,776
	12/31/1990	1,138	285
	12/21/1992	144,864	50,098
	11/5/1995	12,836	12,415
FUEL STORAGE TKS - UNDERGROUI	1/15/1973	13,277	3,264
	12/15/1990	13,277	3,264
	7/21/1992	46,015	14,956
	11/3/1992	25,578	8,739
	8/13/1995	35,410	16,968
LAND ACQUISITIONS	3/14/1989	15,800	15,800
	7/31/1991	2,000	2,000
	10/27/1992	1,600	1,600
LAND IMPROVEMENTS	1/1/1965	5,754	0
	1/1/1990	23,567	10,998
	8/13/1995	24,490	15,986
MAIN BREAKERS	1/1/1965	13,000	0
	3/15/1970	5,065	0
MISC UNITS OF PROP	9/7/1996	242,940	135,508
POLE HARDWARE	1/1/1981	2,370	0
POLES-WOOD 40'	1/1/1981	1,723	0
	12/31/2005	3,117	3,108
POLES-WOOD 45'	12/31/2005	1,707	1,702
POWER SYSTEM - BATTERY CHARGI	4/2/1973	2,732	0
PROTECTIVE CTL & RELAY PNLS	11/10/1984	65,632	0
RECLOSERS	1/1/1981	4,362	0
	8/13/1995	19,321	12,613
ROADS	1/15/1973	11,211	7,755
STACKS (EXHAUST)	11/5/1995	36,956	35,745
	9/7/1996	121,025	60,198
STATION SERVICE - TRANSFORMER	8/13/1995	21,028	13,727
STRUCTL SUPPS (WOOD & STEEL)	8/13/1995	94,284	61,547
SWITCHGEAR	1/1/1965	95,999	0
	4/2/1973	80,010	0
	12/1/1980	172,893	0
	6/17/1981	53,317	0
	11/1/1982	123,205	0
	1/27/1987	31,302	1,564
	2/3/2005	46,717	44,575
	10/7/2005	77,704	76,927
TRANSFORMERS-CURRENT	11/10/1984	10,752	3,166
	8/31/1987	844	67
TRANSFORMERS-PAD TYPE-2500KV/	6/1/1975	24,802	0
TRANSFORMERS-PAD TYPE-500KVA	1/15/1991	82,079	41,039
TRANSFORMERS-PAD TYPE-750KVA	1/1/1981	10,196	0
TRANSFORMERS-POLE TYPE-100KV	1/1/1983	15,027	3,507
TRANSFORMERS - POWER	4/1/1973	28,161	0
	1/1/1992	200,263	106,808
	8/13/1995	136,829	89,319

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Gas Turbine Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	12/16/2005	79,352	78,942
BUILDINGS-WOODEN	12/16/2005	67,089	66,708
	12/21/2005	47,526	47,328
CIRCUIT BREAKERS	1/1/1971	36,114	24,495
COMPRESSED AIR SYS- OTHER	1/1/1974	31,251	26,250
DIESEL ENGINES	12/30/2000	131,972	103,362
DISCONNECT SWITCHES	1/1/1971	2,303	1,562
	6/12/1975	4,253	3,022
DYKES AND LINERS	6/12/1975	213,343	156,451
FIRE FIGHTING-BLDG FIRE PROT	2/23/2001	71,077	53,603
FIRE FIGHTING - OTHER	3/1/2002	259,253	219,501
	11/1/2002	58,090	50,732
FUEL OIL STORAGE TANKS	9/27/2000	171,652	125,878
FUEL PIPE & TRANS FACILITIES	9/27/2000	64,448	47,262
	12/16/2005	168,893	168,207
GAS TURB-SWITCHGEAR MODULE	3/1/1970	281,546	209,282
	12/31/2001	61,838	51,944
LIGHTNING ARRESTOR	1/1/1978	6,161	4,207
MISC UNITS OF PROP	6/12/1975	625,459	464,925
	8/8/1999	17,574	11,440
SWITCHGEAR	12/30/2000	101,864	75,973
TRANSFORMERS - POWER	1/1/1971	68,559	46,501
	1/1/1978	265,703	183,998

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
AIRCRAFT WARNING MARKER LIGHT	6/16/1993	192,208	132,450
	10/18/1994	148,434	110,260
BATTERY BANKS	10/4/2004	51,950	50,753
BRIDGES	1/7/1966	38,346	29,740
	9/15/1992	629,308	419,765
BUILDINGS-CONCRETE	1/1/1969	92,978	65,421
	1/1/1974	2,616	1,982
	1/1/1981	28,142	20,943
	9/1/1981	38,251	36,924
	10/1/1982	34,202	31,665
	10/15/1983	34,758	34,171
	10/27/1984	38,482	37,752
	11/16/1985	58,547	56,882
	11/1/1986	110,877	88,010
	10/16/1987	118,309	113,250
	10/31/1987	27,125	25,971
	11/16/1987	22,711	15,450
	10/7/1988	19,971	13,773
	12/16/1988	53,778	51,756
	10/29/1989	71,963	52,884
	10/15/1990	38,153	29,908
	11/24/1999	21,917	16,884
BUILDINGS-METAL	12/15/1998	15,647	12,456
BUILDINGS-WOODEN	1/1/1969	32,454	15,334
	10/15/1990	38,153	29,908
BUSWORK AND HARDWARE	12/30/2000	1,271	1,261
CONDUCTOR - 1192.5MCM/ASCR	1/1/1967	1,257,046	586,761
	1/1/1974	4,000	3,105
	1/1/1977	2,568,939	2,244,445
	8/20/1981	2,208,656	1,903,874
	6/27/1990	19,943	17,147
	12/23/1994	55,817	6,955
CONDUCTOR - 266.8MCM / ACSR	1/1/1967	22,266	10,520
	1/1/1968	637,236	265,035
	1/1/1969	252,646	51,922
	1/1/1977	393,231	92,324
	1/1/1978	65,294	8,838
	10/2/1982	30	0
	9/26/1985	3,649	0
	12/6/1991	42,223	35,607
CONDUCTOR - 397.5MCM / ACSR	1/1/1970	330,976	224,803
CONDUCTOR - 4/0 BARE / ACSR	1/1/1968	199,439	24,410
	1/1/1977	2,047	1,388
	1/1/1978	125	89
CONDUCTOR - 477ACSR	12/20/1990	3,883,199	3,703,786
	11/5/1999	210,759	171,084
CONDUCTOR - 562.5MCM / ACSR	1/1/1967	219,870	12,611
	10/31/1990	1,300,646	971,961
CONDUCTOR - 636MCM / ACSR	1/1/1967	3,324,189	1,290,818
	5/6/1967	4,966	2,399
	1/1/1968	37,462	19,986
	1/1/1970	176,000	119,347
	1/1/1974	82,000	63,660
	1/1/1977	7,010	6,187
	1/1/1978	123,277	110,251
	1/1/1981	1,017,772	829,009

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/22/1981	14,035	12,312
	7/3/1982	1,214,676	1,115,763
	5/1/1984	47,247	4,619
	8/26/1987	137,838	122,378
	3/31/1988	33,726	21,908
	6/27/1990	14,625	12,575
	8/10/1990	20,989	16,158
	10/28/1993	41,590	3,957
	12/23/1994	5,005	622
	12/31/2001	1,470,069	1,458,111
CONDUCTOR - 795MCM / ACSR	1/1/1967	85,973	6,905
	1/1/1968	111,733	68,565
	11/1/1968	1,435,292	801,621
	11/2/1970	88,000	62,187
	1/1/1974	1,633,831	1,219,647
	1/1/1976	20,447	17,779
	1/1/1977	8,013	7,072
	6/27/1990	50,513	43,432
	8/10/1990	25,606	19,713
	6/7/1991	43,910	33,933
	8/1/1995	67,979	0
	1/21/1997	128,634	118,363
	12/1/1997	1,017,118	1,009,362
	2/2/1998	306,593	244,211
	9/4/1998	59,463	45,636
	12/17/1998	115,177	92,140
	11/3/2000	472,807	468,754
	12/30/2000	2,534,559	2,515,231
	12/31/2001	841,896	835,048
	7/17/2002	1,612,098	1,600,596
	9/27/2002	438,045	435,012
	8/16/2004	434,397	406,145
COUNTERPOISE	1/1/1967	431,098	222,224
	1/1/1968	10,367	6,506
	11/1/1968	237,426	132,589
	1/1/1974	15,552	11,784
	8/20/1981	9,506	8,286
	7/3/1982	12,444	11,530
	12/31/1986	106,804	98,567
	8/26/1987	490	435
	9/9/1988	185,882	139,608
	5/8/1989	147,662	113,307
	8/10/1990	5,192	3,997
	6/7/1991	559	432
	6/19/1992	161,825	150,711
	8/5/1993	365,268	257,732
	5/31/1994	331,399	242,645
	9/3/1999	3,158	2,594
	11/3/2000	37,352	37,031
	12/30/2000	243,436	241,580
	12/31/2001	216,852	215,118
	7/17/2002	135,201	134,236
	9/27/2002	46,003	45,684
FOOTINGS (CONC)-STL STRUCTURE	5/8/1989	5,371	3,888
	4/24/1995	20,579	0
FOUNDATIONS (CONC) FOR BLDGS	1/1/1967	308,995	145,973
	1/1/1981	4,966	3,696

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
FOUNDATIONS (CONC) FOR EQUIP	1/1/1967	1,315,035	617,704
	1/1/1968	352,516	189,914
	11/1/1968	325,489	181,767
	1/1/1970	298,738	227,648
	1/1/1974	31,298	23,714
	1/1/1976	9,448	8,216
	1/1/1977	926,835	817,973
	9/9/1988	8,771	5,938
	10/31/1990	697,417	521,113
	6/7/1991	14,739	11,390
	10/31/1991	324,490	291,616
	7/17/2002	1,095,780	1,088,038
	9/27/2002	1,040,347	1,033,145
GROUND WIRE - OVERHEAD	1/1/1967	39,301	10,344
	5/6/1967	893	431
	1/1/1968	8,807	5,194
	11/1/1968	2,166	1,210
	1/1/1970	2,681	1,851
	1/1/1974	219,417	166,251
	1/1/1977	16,312	11,942
	1/1/1978	1,510	0
	8/20/1981	26,045	22,702
	7/3/1982	29,525	27,358
	8/26/1987	1,542	1,369
	2/12/1990	237,077	181,426
	8/10/1990	10,558	8,128
	10/31/1990	20,509	15,325
	12/20/1990	4,000	3,824
	6/7/1991	3,480	2,690
	7/25/1991	176,033	132,181
	7/29/1991	185,000	171,437
	11/3/2000	26,878	26,648
	12/30/2000	13,056	12,957
	12/31/2001	40,811	40,485
	7/17/2002	34,980	34,730
	9/27/2002	28,890	28,690
GROUND WIRE - POLE	8/20/1981	24,345	21,220
	12/30/2000	8,019	7,958
GROUNDING	6/27/1990	562	483
	12/6/1991	5,951	5,019
	3/15/1995	280,831	209,372
	8/1/1995	2,960	0
	12/30/2000	61,245	60,778
	12/31/2001	312,552	310,053
INSULATORS - POST TYPE	12/6/1991	892,781	735,884
	8/17/1992	283,915	44,981
	8/6/1993	470,149	381,272
INSULS-SUSPENSION (50KV & UP)	1/1/1967	194,189	37,952
	5/6/1967	1,068	516
	1/1/1968	20,081	12,072
	11/1/1968	96,323	53,791
	1/1/1969	50,399	10,922
	1/1/1970	25,106	17,328
	1/1/1974	3,096	1,550
	1/1/1976	10,849	9,434
	1/1/1977	31,783	0
	1/1/1978	18,122	0

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1981	59,822	48,954
	8/20/1981	264,109	230,202
	7/3/1982	268,322	248,627
	10/2/1982	45,600	41,953
	11/19/1983	3,184	0
	5/1/1984	179,020	17,400
	9/26/1985	1,516	0
	8/26/1987	24,693	21,924
	2/8/1988	2,255	640
	3/31/1988	76,959	49,991
	6/27/1990	57,814	49,710
	8/10/1990	34,634	26,663
	10/31/1990	351,881	262,927
	12/20/1990	861,643	821,424
	6/7/1991	19,663	15,195
	12/6/1991	41,115	34,665
	10/28/1993	62,356	5,932
	12/10/1993	283,678	211,574
	5/10/1994	103,429	74,482
	6/17/1994	154,160	111,531
	7/22/1994	157,878	114,744
	8/5/1994	62,486	45,619
	9/2/1994	135,367	28,320
	11/4/1994	169,252	125,208
	12/23/1994	102,332	12,715
	3/3/1995	155,422	113,564
	4/24/1995	9,625	1
	8/1/1995	33,969	0
	8/4/1995	120,736	25,472
	8/18/1995	300,157	151,067
	8/30/1995	99,250	71,094
	10/20/1995	177,231	133,617
	2/23/1996	128,565	94,413
	6/27/1996	342,441	254,845
	7/9/1996	178,008	132,980
	12/31/1996	375,555	211,449
	6/18/1997	300,828	232,272
	7/24/1997	134,224	102,994
	8/28/1997	214,229	161,247
	10/15/1997	138,973	34,365
	11/7/1997	101,623	77,639
	8/31/1998	379,448	299,253
	11/5/1999	133,642	108,484
	11/3/2000	119,695	118,669
	12/30/2000	894,611	887,788
	7/31/2001	184,499	150,294
	12/31/2001	497,144	493,169
	7/17/2002	433,856	430,761
	9/27/2002	147,576	146,554
	12/31/2002	465,380	404,639
	3/21/2003	473,712	151,933
	5/2/2003	253,488	129,208
	10/13/2003	7,135	4,227
	12/31/2003	10,787	5,541
	8/16/2004	1,604,821	1,500,449
	11/20/2004	1,143,509	1,110,911
LAND ACQUISITIONS	1/7/1966	18,128	18,128

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1967	56,078	53,747
	1/1/1970	380	380
	1/1/1977	59,182	59,182
	7/3/1982	5,114	5,114
	12/20/1990	9,167	9,167
	4/30/1991	6,167	6,167
LAND IMPROVEMENTS	1/1/1967	24,352	1,417
	1/1/1968	4,248	4,212
	5/22/1980	5,600	4,491
LIGHTNING ARRESTOR	12/30/2000	5,036,147	4,324,875
METERING TANKS	1/1/1981	2,500	0
MISC UNITS OF PROP	6/30/1999	43,378	33,760
	11/3/2000	13,154	13,042
	12/30/2000	1,069,758	911,701
	7/17/2002	397,866	395,027
POLE CRIB FOUNDATIONS	9/4/1998	237,340	182,150
	11/3/2000	94,083	93,276
	12/30/2000	91,355	90,659
	12/31/2001	323,918	321,328
POLE HARDWARE	9/4/1998	161,911	124,261
	11/3/2000	221,307	219,410
	12/30/2000	707,765	702,367
	12/31/2001	490,750	486,826
POLE STRUCTURES WOOD TYPE 1	1/1/1968	354,402	43,377
	12/6/1991	5,310	4,478
	7/31/2001	42,240	17,886
	11/30/2004	225,827	212,677
POLE STRUCTURE WOOD TYPE 2	1/1/1967	239,160	112,982
	1/1/1970	394,282	268,496
	1/1/1974	2,979,867	2,257,920
	1/1/1977	276,586	0
	1/1/1978	67,993	0
	6/27/1990	9,096	7,598
	12/6/1991	7,348	6,197
	10/11/2002	4,346	0
POLE STRUCTURE WOOD TYPE 3	1/1/1968	107,483	13,149
	1/1/1977	8,353	0
	1/1/1978	12,837	0
	12/6/1991	15,927	13,432
POLE STRUCTURES WOOD TYPE 6	1/1/1977	11,801	0
POLE STRUCTURES WOOD TYPE A	1/1/1981	1,551,663	1,262,600
	8/20/1981	3,116,475	2,695,143
	7/3/1982	721,837	659,290
	10/2/1982	369,463	337,793
	11/19/1983	28,453	0
	12/20/1990	2,666,765	2,540,791
	12/23/1994	96,005	11,928
	9/3/1999	41,582	34,154
	11/3/2000	18,391	18,233
	12/30/2000	2,411,819	2,393,424
	7/31/2001	72,162	70,883
	12/31/2001	1,066,174	1,057,648
POLE STRUCTURES WOOD TYPE AA	8/20/1981	90,771	79,118
	7/3/1982	122,338	113,358
	6/27/1990	12,688	10,598
	8/10/1990	24,593	18,933
	12/20/1990	49,733	47,548

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/3/2000	437,018	433,272
	12/30/2000	283,185	281,025
	12/31/2001	714,979	709,262
POLE STRUCTURES WOOD TYPE AA	12/20/1990	142,199	135,953
POLE STRUCTURES WOOD TYPE AG	8/20/1981	30,257	26,373
	5/1/1982	26,965	24,932
	6/27/1990	28,007	23,394
	8/10/1990	51,492	39,640
	12/20/1990	10,464	10,004
POLE STRUCTURES WOOD TYPW AG	12/20/1990	20,760	19,848
POLE STRUCTURES WOOD TYPE AV	12/20/1990	4,243,099	4,047,875
POLE STRUCTURES WOOD TYPE AV	12/20/1990	208,010	198,872
POLE STRUCTURES WOOD TYPE AX	8/20/1981	231,971	202,189
	7/3/1982	13,340	12,361
	12/20/1990	47,173	45,101
	12/23/1994	32,002	3,976
POLE STRUCTURES WOOD TYPE B	1/1/1981	69,134	56,575
	8/20/1981	15,129	13,186
	10/2/1982	11,222	10,325
	12/20/1990	201,216	192,376
	9/3/1999	17,047	14,002
	12/30/2000	113,787	112,919
	12/31/2001	164,924	163,605
POLE STRUCTURES WOOD TYPE BB	12/20/1990	22,704	21,706
	9/3/1999	18,944	15,560
	12/30/2000	191,476	190,016
	12/31/2001	50,487	50,083
POLE STRUCTURES WOOD TYPE C	1/1/1981	67,761	55,451
	8/20/1981	75,643	65,931
	7/3/1982	40,589	37,610
	10/2/1982	29,926	27,533
	12/20/1990	172,874	165,279
	7/31/2001	78,527	77,135
POLE STRUCUTRES WOOD TYPE D	1/1/1981	15,057	12,322
	8/20/1981	15,129	13,186
	7/3/1982	142,775	132,295
	12/20/1990	295,940	282,939
	11/3/2000	428,949	425,272
	12/30/2000	2,191,168	2,174,456
	12/31/2001	1,304,057	1,293,630
POLE STRUCTURES WOOD TYPE E	1/1/1981	17,005	13,916
	10/2/1982	7,482	6,884
	12/20/1990	341,239	326,248
	10/28/1993	65,449	6,227
	11/8/2002	24,603	22,165
POLE STRUCUTRES WOOD TYPE EE	8/20/1981	15,129	13,186
	7/3/1982	20,152	18,673
	6/27/1990	78,215	65,333
	8/10/1990	88,681	68,270
	12/20/1990	73,531	70,300
	10/28/1993	96,255	9,157
POLE STRUCUTRES WOOD TYPE EE	12/20/1990	42,142	40,291
POLE STRUCUTRES WOOD TYPE H	1/1/1981	69,641	56,990
	8/20/1981	75,643	65,931
	7/3/1982	244,961	226,981
	10/2/1982	127,187	117,016
	2/8/1988	9,984	2,836

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/20/1990	216,885	207,357
	12/30/2000	16,279	16,155
	8/16/2004	201,705	188,586
POLE STRUCUTRES WOOD TYPE OT	1/1/1967	1,148,702	62,127
	5/6/1967	1,374	663
	1/1/1968	369,971	74,175
	1/1/1969	420,665	87,910
	1/1/1970	339,000	94,993
	1/1/1974	199,339	119,112
	1/1/1976	114,703	99,738
	1/1/1977	593	0
	1/1/1981	166,652	136,377
	7/1/1981	7,290	0
	8/20/1981	126,590	110,338
	7/3/1982	815,491	755,635
	10/2/1982	142,037	130,678
	12/8/1982	49,804	46,110
	7/26/1983	35,512	0
	5/1/1984	443,027	53,123
	9/26/1985	29,119	579
	12/14/1985	279,865	254,296
	5/16/1986	61,559	2,492
	8/26/1987	408,677	361,002
	2/4/1989	29,782	6,387
	11/27/1989	1,206	1,127
	6/27/1990	39,107	34,584
	12/20/1990	30,783	29,431
	12/6/1991	68,777	57,925
	12/2/1992	19,353	1,958
	10/28/1993	32,042	3,048
	9/26/1994	35,715	27,185
	12/23/1994	240,012	29,821
	8/1/1995	150,294	0
	8/28/1997	284,490	214,132
	12/31/2001	763,077	756,976
	12/31/2003	22,347	11,479
	11/29/2005	34,888	34,877
	12/5/2005	511,203	511,037
	12/17/2005	1,479,231	1,478,751
POLE STRUCTURES WOOD TYPE T	8/20/1981	20,171	17,582
	12/20/1990	43,046	41,155
POLES-WOOD 40'	12/6/1991	510	417
POLES-WOOD 50'	12/6/1991	334	273
	5/30/2003	14,171	7,223
POLES-WOOD 55'	8/15/2002	56,205	47,979
	10/13/2003	9,060	5,367
POLES-WOOD 60'	9/4/1998	76,310	58,565
POLES-WOOD 65'	9/4/1998	50,451	38,720
	8/15/2002	23,418	19,990
	10/13/2003	17,943	10,629
POLES-WOOD 70'	12/31/2003	42,080	21,615
RADIO TOWERS (WOOD OR STEEL)	12/30/2000	5,688,292	5,644,909
RIGHT - OF - WAYS	7/1/1966	946,696	729,535
	1/1/1967	1,713,674	625,593
	1/1/1968	236,007	118,096
	11/1/1968	38,310	21,405
	1/1/1969	85,290	18,484

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1970	125,464	82,019
	4/2/1973	5,734	4,722
	1/1/1974	574,592	435,382
	1/1/1976	9,764	8,490
	1/1/1977	25,664	0
	1/1/1978	20,387	0
	1/1/1981	322,640	234,271
	8/20/1981	542,874	473,177
	12/22/1981	10,398	9,122
	1/1/1982	31,000	27,238
	7/3/1982	168,637	156,259
	10/2/1982	298,603	272,600
	2/4/1989	39,128	8,391
	10/30/1989	37,169	21,708
	11/27/1989	1,584	1,481
	6/27/1990	17,454	14,751
	8/10/1990	15,346	12,579
	12/20/1990	330,253	306,235
	1/28/1991	31,983	26,998
	4/30/1991	6,547	3,468
	6/7/1991	5,363	4,145
	11/30/1991	30,570	23,910
	12/6/1991	20,766	17,513
	10/28/1993	5,053	481
	8/1/1995	7,706	0
	11/30/1995	43,184	18,685
	7/31/1999	62,895	56,376
STRUCTL SUPPS (WOOD & STEEL)	4/24/1995	116,183	48
	5/31/2000	121,323	0
	12/30/2000	53,751	53,341
TOWERS - GUYED ANCHORS	1/1/1967	2,272,284	1,070,626
	1/1/1968	293,537	159,027
	11/1/1968	549,484	306,855
	1/1/1970	3,141	2,168
	1/1/1977	1,323,088	1,167,684
	2/4/1989	65,560	14,059
	11/27/1989	2,655	2,481
	10/31/1990	573,617	428,609
	10/31/1991	173,544	156,779
	9/3/1999	222,734	182,947
TOWERS - METAL GUYED	1/1/1967	4,560,996	2,127,566
	5/6/1967	15,464	7,468
	7/2/1967	23,363	11,403
	10/16/1967	24,131	11,963
	1/1/1968	838,147	451,319
	11/1/1968	1,382,580	749,088
	1/1/1970	532,256	403,438
	1/1/1974	89,000	69,095
	1/1/1977	1,915,240	1,667,527
	8/20/1981	133,178	116,080
	7/3/1982	27,741	25,705
	5/1/1984	210,365	74,539
	2/4/1989	600,194	127,002
	11/27/1989	24,262	22,676
	10/31/1990	1,853,274	1,384,773
	10/31/1991	653,506	587,165
	12/31/1991	435,251	325,724

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Load Served - **Island Interconnected** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/3/1999	588,512	459,516
	11/3/2000	1,022,081	1,013,319
	12/31/2001	3,524,312	3,496,035
	7/17/2002	4,313,737	4,158,147
	9/27/2002	3,283,536	3,260,803
	8/16/2004	543,571	508,219
TOWERS - METAL RIDGED	1/1/1967	878,376	407,833
	1/1/1968	117,452	70,198
	11/1/1968	506,844	281,597
	1/1/1970	111,972	81,045
	1/1/1974	239,024	181,108
	1/1/1976	67,923	59,060
	1/1/1977	907,130	800,582
	4/13/1983	116,438	98,519
	5/1/1984	115,354	40,873
	3/31/1988	244,199	157,150
	5/1/1988	261,017	217,582
	6/27/1990	133,690	118,228
	10/31/1990	1,351,924	1,010,162
	6/7/1991	105,190	81,288
	10/31/1991	78,452	65,414
	10/28/1993	131,812	12,540
	8/16/2004	1,509,566	1,411,389

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Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
AIRCRAFT WARNING MARKER LIGHT	1/21/1994	8,581	2,839
	9/5/1994	37,605	14,858
AUX COOLING SYST - TURBO GEN	11/5/1995	4,375	3,553
BATTERY BANKS	1/15/1982	15,902	15,223
	2/12/1988	4,741	0
	1/15/1990	29,400	28,145
	11/5/1995	49,963	45,197
	1/15/1996	48,572	39,436
BATTERY CHARGERS	1/15/1982	13,042	12,485
	8/25/1983	5,833	0
	2/12/1988	1,806	0
	1/15/1990	12,645	12,105
	11/5/1995	15,224	12,364
	1/15/1996	34,961	28,458
BUILDINGS-CONCRETE	11/5/1995	7,070	5,761
BUILDINGS-CONTROL MODULE	5/1/1996	95,793	73,726
BUILDINGS-METAL	1/1/1970	14,909	4,247
	1/15/1982	148,215	141,888
	2/12/1988	52,997	0
	1/15/1990	150,823	144,385
	11/5/1995	79,403	64,488
	1/15/1996	49,130	41,821
BUSWORK AND HARDWARE	4/1/1973	4,153	0
	1/1/1976	650	418
	1/15/1982	100,679	92,343
	8/6/1983	9,230	8,600
	11/15/1987	21,836	9,249
	2/12/1988	6,558	0
	11/15/1989	222,257	171,137
	11/30/1989	9,333	6,351
	12/20/1990	37,223	35,634
	11/5/1995	160,860	130,654
	9/7/1996	84,134	68,424
	11/30/2000	1,033	1,011
CABLE TRNCH/DUCT/EMBED CONDU	6/13/1982	4,116	3,685
	8/29/1989	13,954	9,278
	11/15/1989	14,073	12,751
	12/20/1990	39,595	37,904
	11/5/1995	43,822	35,590
	9/7/1996	9,885	8,067
CABLES - 600 VOLT	11/30/2000	5,005	4,902
CABLES - CONTROL	5/15/1967	980	75
	1/1/1976	3,150	2,024
	6/13/1982	6,599	5,906
	8/6/1983	2,708	2,524
	8/29/1989	69,884	46,463
	11/30/1989	21,218	14,437
	12/20/1990	75,995	72,751
	11/30/1994	5,781	5,170
	9/7/1996	40,344	32,645
CABLES - POWER 5KV & ABOVE	9/7/1996	1,170	951
CABLES - POWER CABLE	11/5/1995	68,914	55,968
	9/7/1996	19,305	15,768
CABLES - TRAYS AND CONDUIT	2/12/1988	17,297	0
	8/29/1989	11,859	7,885
	11/30/1989	6,367	4,332

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Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CAPACITORS	1/15/1996	269,366	219,873
	9/7/1996	46,465	37,929
CIRCUIT BREAKERS	1/1/1969	24,931	4,445
	1/15/1970	84,973	12,629
	1/1/1971	10,000	3,430
	9/10/1974	43,798	28,144
	6/12/1977	101,300	85,092
	6/12/1981	100,935	0
	1/15/1982	143,017	136,912
	5/23/1986	8,774	7,947
	11/15/1987	1,716	727
	1/15/1988	93,144	87,472
	1/15/1990	360,303	284,217
	11/5/1995	792,532	643,658
	1/1/1996	183,943	178,288
	1/15/1996	330,785	270,026
	2/26/1996	76,500	61,968
CONDUCTOR - 266.8MCM / ACSR	1/1/1970	249,003	70,076
	1/1/1976	95,496	61,362
	1/1/1977	65,939	19,613
	1/1/1978	32,719	12,043
	1/1/1981	399,492	24,922
	5/14/1981	374,997	322,368
	10/25/1987	19,400	0
	1/1/1990	1,301,766	607,490
	3/20/1995	4,786	1,735
	2/8/2002	390,936	328,392
	3/10/2002	153,740	151,242
	2/27/2003	210,722	181,876
CONDUCTOR - 4/0 BARE / ACSR	9/7/1996	3,400	2,743
CONDUCTOR - 477ACSR	11/16/1988	465,537	417,577
	12/19/1990	475,301	453,682
CONDUCTOR - 562.5MCM / ACSR	11/5/1995	1,349,633	1,095,804
	9/7/1996	1,191,429	967,741
CONDUCTOR - 636MCM / ACSR	1/1/1981	157,605	128,081
	5/1/1982	1,921,292	1,620,974
	8/5/1983	1,803,453	1,673,634
	11/15/1987	2,556,110	1,048,813
	2/12/1988	974,678	0
	12/19/1990	537,038	512,760
	12/20/1990	2,887,915	2,756,853
	12/21/1998	1,092,366	589,959
CTL/MTR/RELAYING-OSC'GPH-AUTO	11/5/1995	58,219	47,283
CTL/METER/RELAYING - OTHER	1/1/1969	5,678	1,012
	1/1/1976	2,733	1,756
	11/8/1980	4,954	3,838
	6/13/1982	16,927	15,151
	8/6/1983	26,134	24,351
	5/25/1984	4,115	3,811
	5/23/1986	28,235	25,576
	1/18/1989	6,476	5,924
	8/29/1989	89,274	59,355
	11/15/1989	76,821	69,606
	11/30/1989	6,330	4,307
	12/20/1990	296,100	283,460
	10/11/1991	8,032	1,557
	1/28/1992	2,392	0

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Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/5/1995	46,611	45,084
	2/12/1999	4,284	4,019
	10/28/2005	41,207	41,167
CTL/MTR/RELAYING-SYNCH. PANEL	9/7/1996	75,882	61,320
CTL/MTR/RELAYNG-TEMP/FREQ PNL	1/28/1992	2,392	0
CTL/MTR/RELAYING-UNIT PROT PNL	11/15/1987	23,287	9,864
	11/15/1989	108,752	98,538
	11/5/1995	284,557	231,103
	9/7/1996	102,140	82,542
COOLING SYSTEMS	11/5/1995	6,290	5,109
COUNTERPOISE	1/1/1970	546	155
	5/1/1982	2,190	1,861
	8/5/1983	3,662	3,412
	11/15/1987	10,628	4,502
	2/12/1988	9,241	0
	11/16/1988	19,994	18,030
	12/19/1990	11,267	10,782
	12/20/1990	17,713	16,957
	11/5/1995	19,011	15,441
	9/7/1996	17,887	14,557
	7/31/1997	48,442	42,627
DISCONNECT SWITCHES	5/15/1967	13,128	1,010
	7/10/1968	2,944	0
	10/15/1968	19,068	0
	1/1/1969	7,687	1,371
	1/1/1970	7,530	1,863
	1/15/1970	113,207	94,840
	1/1/1971	3,039	1,042
	9/10/1974	115,367	78,126
	1/1/1976	3,139	2,017
	1/1/1977	5,405	0
	6/12/1977	27,472	23,195
	8/4/1979	6,994	5,336
	1/1/1981	1,145	0
	1/15/1982	160,189	141,753
	11/15/1987	14,534	6,156
	1/15/1988	53,247	50,005
	2/12/1988	20,522	0
	11/15/1989	41,765	22,852
	1/15/1990	221,246	199,438
	12/20/1990	11,891	11,384
	11/5/1995	289,878	235,639
	1/1/1996	11,175	10,832
	1/15/1996	197,294	160,858
	9/7/1996	16,787	13,573
	8/31/2000	18,934	18,548
FENCING	1/15/1970	3,867	0
	6/13/1982	17,850	15,977
	8/5/1983	8,220	7,660
	8/25/1983	34,893	0
	8/29/1989	17,529	11,655
	11/15/1989	14,342	6,613
	1/15/1990	26,237	25,117
	12/20/1990	18,351	17,568
	11/5/1995	14,679	11,922
	9/7/1996	30,039	24,273
FIRE FIGHTING-BLDG FIRE PROT	1/15/1970	9,204	7,083

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Unit of Property	Date Acquired	Original Cost	Net Book Value
FIRE FIGHTING - OTHER	11/5/1995	24,518	23,715
FOUNDATIONS (CONC) FOR BLDGS	4/1/1973	5,492	0
	12/20/1990	34,811	33,325
	11/5/1995	30,641	24,885
	9/7/1996	45,870	37,437
FOUNDATIONS (CONC) FOR EQUIP	1/1/1970	3,867	1,102
	1/1/1976	28,074	18,040
	6/13/1982	27,308	24,443
	8/6/1983	2,509	2,338
	5/26/1986	6,664	6,036
	8/29/1989	63,295	42,083
	11/15/1989	4,928	2,272
	12/20/1990	147,779	141,470
	11/5/1995	111,129	90,253
	9/7/1996	41,440	33,519
GROUND WIRE - OVERHEAD	1/7/1966	2,824	2,449
	1/1/1970	24,788	7,060
	5/1/1982	71,691	60,933
	8/5/1983	44,662	41,614
	11/16/1988	16,515	14,892
	11/5/1995	19,953	16,206
	9/7/1996	141,303	114,838
	2/27/2003	23,467	20,254
GROUND WIRE - POLE	5/1/1982	30,436	25,869
	8/5/1983	22,495	20,960
GROUNDING	5/15/1967	9,527	733
	1/1/1976	4,560	2,930
	6/13/1982	14,570	13,042
	8/5/1983	3,021	2,815
	8/6/1983	2,165	2,018
	11/15/1987	24,935	10,562
	2/12/1988	9,444	0
	8/29/1989	21,880	14,547
	11/15/1989	23,419	10,799
	11/30/1989	5,324	3,623
	12/20/1990	123,372	118,105
	12/30/1990	3,979	1,660
	11/5/1995	19,797	16,078
	9/7/1996	1,317	1,062
INSTRUMENTATION - OTHER	12/15/2005	47,283	47,268
INSULATORS - PIN TYPE	4/1/1973	912	0
	5/14/1981	22,640	19,634
	9/20/1989	83,894	29,476
	9/10/1990	17,765	7,472
INSULATORS - POST TYPE	6/13/1982	1,647	1,474
	8/29/1989	14,558	9,679
	9/20/1989	98,208	34,523
	9/10/1990	31,873	30,104
	12/20/1990	66,548	60,937
	4/12/1991	72,774	36,128
	7/19/1991	83,723	41,685
	8/19/1991	42,670	28,639
	10/10/1991	283,565	256,475
	10/31/1991	37,752	19,116
	9/21/1992	210,122	89,356
	10/20/1992	70,488	53,254
	3/31/1993	44,651	36,579

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/6/1993	156,716	124,144
	10/20/1994	90,240	36,038
	11/22/1994	96,508	39,247
	9/27/1995	172,814	70,844
	11/5/1995	53,870	43,926
	9/7/1996	48,064	39,163
	12/31/2002	87,335	79,702
	9/24/2005	308,398	306,554
INSULS-SUSPENSION (50KV & UP)	1/1/1970	29,782	8,482
	1/1/1976	1,492	959
	1/1/1981	17,484	9,578
	5/14/1981	20,459	17,742
	6/13/1982	3,499	3,132
	8/5/1983	364,346	336,693
	8/6/1983	1,273	1,186
	10/25/1987	1,303	0
	11/15/1987	518,515	218,068
	1/1/1988	34,482	30,767
	2/12/1988	293,507	0
	11/16/1988	155,352	140,090
	8/29/1989	6,358	4,227
	9/20/1989	179,695	63,786
	11/16/1989	127,311	86,076
	1/1/1990	282,253	131,717
	3/3/1990	45,719	39,488
	12/19/1990	305,159	290,867
	12/20/1990	1,150,208	1,093,329
	4/12/1991	15,056	7,475
	6/7/1991	8,577	2,441
	7/16/1993	33,085	12,424
	9/20/1993	86,803	61,152
	3/20/1995	29,282	25,138
	11/5/1995	402,079	326,564
	9/7/1996	708,922	576,213
	12/21/1998	299,051	161,663
	11/12/1999	887,048	786,659
	2/8/2002	530,944	446,001
	3/10/2002	69,330	68,204
	12/31/2002	252,644	171,367
	2/27/2003	46,562	40,188
INSULS-SUSPENSION (BELOW 50KV)	9/7/1996	3,029	2,446
LV SWITCHING - INST XFRMRS	9/7/1996	4,159	3,400
LAND ACQUISITIONS	1/1/1969	2,365	2,365
	5/1/1982	39,978	39,978
	1/10/1983	5,300	5,300
	8/25/1983	4,722	4,722
	9/27/1984	5,100	5,100
	8/31/1989	18,500	18,500
	9/27/1989	11,200	11,200
	10/27/1989	8,300	8,300
	7/31/1991	4,250	4,250
	8/20/1991	2,100	2,100
	4/10/2001	1,000	1,000
LAND IMPROVEMENTS	1/1/1970	2,739	780
	6/13/1982	95,537	85,514
	8/5/1983	61,333	57,154
	8/6/1983	350	326

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/25/1983	100,626	0
	8/29/1989	55,261	36,741
	11/15/1989	42,005	19,369
	11/30/1989	330	225
	12/20/1990	173,825	166,404
	12/30/1990	7,701	3,213
	11/5/1995	63,263	51,379
	9/7/1996	23,562	19,037
LIGHTING SYSTEM - SWITCHYARD	1/1/1976	548	352
	6/13/1982	3,440	3,079
	8/29/1989	4,469	2,971
	11/30/1989	825	562
	12/20/1990	14,776	14,145
LIGHTING SYS 600/120 V OUTDOOR	11/15/1989	4,776	2,202
MAIN BREAKERS	9/7/1996	96,202	77,737
MISC UNITS OF PROP	1/1/1970	168,000	47,849
	5/14/1981	146,176	123,932
	11/15/1987	20,073	8,502
	2/12/1988	99,340	0
	1/1/1989	656,009	78,361
	8/29/1989	13,227	8,794
	12/19/1990	800,121	765,661
	12/20/1990	4,000	3,829
	12/31/1991	50,437	40,458
	11/5/1995	2,102	1,712
	9/7/1996	16,164	12,442
POLE CRIB FOUNDATIONS	11/5/1995	864	701
	3/10/2002	122,525	120,534
	2/27/2003	615,024	530,831
POLE HARDWARE	11/15/1989	12,272	5,659
	12/19/1990	25,427	24,332
	12/20/1990	84,005	80,419
	9/7/1996	1,081,937	879,581
	2/27/2003	20,818	17,968
POLE STRUCTURES WOOD TYPE 1	1/1/1970	1,553,347	442,504
	1/1/1977	8,716	5,912
	1/1/1978	14,549	10,450
	11/21/1980	16,562	13,467
	1/1/1981	364,337	0
	5/1/1982	2,380,494	2,011,272
	12/31/2004	10,893	9,273
	10/31/2005	9,665	9,595
POLE STRUCTURE WOOD TYPE 2	1/1/1970	33,226	9,463
	1/1/1981	45,635	0
POLE STRUCTURE WOOD TYPE 3	1/1/1970	2,953	841
	1/1/1981	133,305	0
	12/31/2004	18,529	15,773
POLE STRUCTURES WOOD TYPE A	1/1/1981	210,413	171,343
	5/1/1982	709,938	591,392
	8/5/1983	1,088,451	1,007,429
	11/15/1987	2,957,118	1,244,752
	2/12/1988	1,016,445	0
	11/16/1988	546,241	490,353
	12/19/1990	335,465	319,868
	12/20/1990	98,315	41,015
	10/25/1993	1,309	408
	11/5/1995	992,011	800,527

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/7/1996	1,770,723	1,438,471
POLE STRUCTURES WOOD TYPE AA	5/1/1982	26,960	22,914
	8/5/1983	41,128	38,321
	11/15/1987	79,992	33,883
	2/12/1988	119,561	0
	11/16/1988	57,416	51,775
	12/19/1990	33,182	31,753
	11/5/1995	31,927	25,753
	9/7/1996	129,167	105,041
POLE STRUCTURES WOOD TYPE AA	11/15/1987	9,202	3,898
	11/5/1995	31,920	25,746
	9/7/1996	13,697	11,126
POLE STRUCTURES WOOD TYPE AG	5/1/1982	8,987	7,638
	8/5/1983	13,709	12,774
	11/15/1987	34,553	14,636
	2/12/1988	39,973	0
	11/16/1988	32,809	29,586
	11/5/1995	21,299	17,179
	9/7/1996	49,602	40,067
POLE STRUCTURES WOOD TYPW AG	12/19/1990	14,262	13,648
POLE STRUCTURES WOOD TYPE AV	5/1/1982	143,785	122,209
	8/5/1983	375,951	347,505
	11/15/1987	365,487	154,813
	2/12/1988	146,223	0
	11/16/1988	16,405	14,793
	12/19/1990	673,700	643,536
	11/5/1995	353,607	285,234
	9/7/1996	209,939	170,394
	12/21/1998	894,537	495,044
	3/10/2002	268,220	263,860
POLE STRUCTURES WOOD TYPE AV	5/1/1982	8,987	7,638
	8/5/1983	6,855	6,387
	11/15/1987	9,904	4,195
	9/7/1996	7,000	5,689
	12/21/1998	541,454	297,988
POLE STRUCTURES WOOD TYPE AX	5/1/1982	17,973	15,276
	8/5/1983	26,363	24,564
	11/15/1987	28,615	12,121
	11/16/1988	16,405	14,793
	11/5/1995	583	474
	9/7/1996	35,997	29,223
POLE STRUCTURES WOOD TYPE B	1/1/1981	5,952	4,871
	5/1/1982	26,960	22,914
	8/5/1983	19,508	18,177
	11/15/1987	32,484	13,760
	2/12/1988	14,649	0
	11/16/1988	24,607	22,189
	12/20/1990	3,260	1,360
	11/5/1995	21,883	17,654
	9/7/1996	137,690	112,074
	12/21/1998	53,236	29,423
	3/10/2002	20,194	19,866
POLE STRUCTURES WOOD TYPE BB	8/5/1983	10,282	9,580
	11/15/1987	12,355	5,233
	9/7/1996	5,811	4,843
POLE STRUCTURES WOOD TYPE C	1/1/1981	20,144	16,484
	5/1/1982	80,879	68,743

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Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/5/1983	70,918	66,078
	11/15/1987	132,047	55,932
	2/12/1988	29,807	0
	11/16/1988	32,809	29,586
	12/19/1990	34,855	33,354
	12/20/1990	47,610	19,862
	11/5/1995	34,836	28,115
	9/7/1996	60,390	49,231
	12/21/1998	97,898	54,017
POLE STRUCUTRES WOOD TYPE D	1/1/1981	6,919	5,662
	8/5/1983	50,354	46,918
	11/15/1987	203,920	86,376
	12/19/1990	48,592	46,499
	12/20/1990	8,133	3,393
	11/5/1995	86,315	69,629
	9/7/1996	30,699	25,413
	2/8/2002	6,359	5,342
POLE STRUCTURES WOOD TYPE E	1/1/1981	6,802	5,566
	5/1/1982	229,157	194,771
	8/5/1983	50,355	46,918
	11/15/1987	342,592	145,115
	11/16/1988	24,607	22,189
	12/19/1990	16,001	15,312
	12/20/1990	20,759	8,660
	11/5/1995	108,781	87,756
	9/7/1996	128,069	104,904
	2/8/2002	35,091	29,477
	3/10/2002	91,893	90,399
POLE STRUCUTRES WOOD TYPE EE	5/1/1982	40,440	34,371
	11/15/1987	45,578	19,306
	2/12/1988	42,623	0
	11/16/1988	57,416	51,775
	12/19/1990	22,775	21,794
	11/5/1995	10,650	8,590
	9/7/1996	21,892	18,058
POLE STRUCUTRES WOOD TYPE EE	5/1/1982	13,480	11,457
POLE STRUCUTRES WOOD TYPE H	1/1/1981	5,445	4,456
	5/1/1982	229,157	194,771
	8/5/1983	5,799	5,403
	11/15/1987	251,289	106,441
	2/12/1988	193,197	0
	12/19/1990	7,249	6,936
	12/20/1990	26,185	10,924
	10/25/1993	1,125	351
	11/5/1995	583	474
	9/7/1996	1,455	1,187
	2/8/2002	27,510	23,108
POLE STRUCUTRES WOOD TYPE OT	1/1/1970	341,208	94,138
	1/1/1981	51,278	41,963
	6/13/1982	7,231	6,472
	8/5/1983	1,076,183	999,947
	10/25/1987	29,467	0
	2/12/1988	13,201	0
	11/16/1988	8,202	7,397
	1/1/1990	3,624,315	1,691,346
	12/19/1990	1,377,927	1,317,433
	12/20/1990	8,342,928	7,619,941

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/25/1993	6,419	2,001
	3/20/1995	140,952	117,303
	11/5/1995	1,192,214	961,649
	9/7/1996	3,274,577	2,661,952
	12/21/1998	181,509	99,705
	2/8/2002	503,132	422,638
	9/24/2005	6,202	6,165
	12/17/2005	49,976	49,960
POLE STRUCTURES WOOD TYPE T	11/15/1987	62,301	26,389
POLES-CONCRETE 35'	9/7/1996	4,441	3,515
POLES - WOOD 30'	8/6/1983	1,209	1,126
POLES-WOOD 35'	1/1/1970	3,444	981
	5/14/1981	3,915	3,395
	8/6/1983	2,418	2,253
	9/7/1996	24,291	19,701
POLES-WOOD 40'	1/1/1970	13,285	3,784
	5/14/1981	120,566	104,556
POLES-WOOD 45'	1/1/1970	7,873	2,242
	5/14/1981	38,317	33,229
POLES-WOOD 50'	5/14/1981	21,767	18,877
	1/1/1990	1,400	653
POLES-WOOD 55'	1/1/1970	10,190	2,902
	5/14/1981	8,304	7,201
	12/21/1998	199,296	107,990
POLES-WOOD 60'	1/1/1970	25,485	7,258
	5/14/1981	19,158	16,614
	1/1/1990	3,972	1,854
	9/7/1996	9,099	7,378
	12/21/1998	555,854	301,480
POLES-WOOD 65'	1/1/1970	5,177	1,474
	5/14/1981	3,193	2,769
	1/1/1990	12,300	5,740
	12/21/1998	156,632	84,747
POLES-WOOD 70'	5/14/1981	5,606	4,861
	1/1/1990	20,525	9,578
	12/21/1998	338,612	182,927
PROTECTIVE CTL & RELAY PNLS	11/5/1995	68,600	55,771
	9/7/1996	225,265	181,158
	12/22/2004	46,640	46,436
RADIO TOWERS (WOOD OR STEEL)	12/19/1990	55,240	52,861
REACTORS AND RESISTORS	11/5/1995	706,183	573,529
	9/7/1996	31,021	25,315
RECLOSER BY-PASS SWITCHES	11/15/1989	9,084	4,189
REGULATORS	1/13/1988	8,508	7,562
REVENUE MTRING - MTEING TANKS	5/15/1978	3,600	2,622
REVENUE MTRING-SPEEDOMAX RE(	11/1/1978	3,805	2,826
REVENUE MTRING-TERM. METERS	1/1/1980	5,351	4,139
RIGHT - OF - WAYS	1/7/1966	111,059	96,312
	1/1/1970	174,074	49,584
	1/1/1976	124,581	0
	12/22/1981	3,028	2,656
	5/1/1982	257,128	218,547
	8/5/1983	354,923	327,912
	11/15/1987	504,719	212,224
	2/12/1988	72,131	0
	11/16/1988	95,839	86,425
	1/1/1989	275,562	128,596

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1990	306,687	293,595
	12/19/1990	104,435	98,789
	12/31/1992	23,974	8,230
	11/5/1995	267,818	217,508
	9/7/1996	531,646	432,234
	12/21/1998	439,057	238,281
ROADS	6/13/1982	2,911	2,606
	12/20/1990	3,405	3,260
SEWAGE DISPOSAL SYSTEM	1/1/1969	39,415	37,733
	12/20/1990	22,775	21,803
	11/5/1995	4,887	3,969
	9/7/1996	13,483	10,966
STATION SERVICE - PANEL	9/7/1996	46,465	37,929
STATION SERVICE - TRANSFORMER	1/15/1982	6,530	6,252
	12/20/1990	13,596	13,015
STORM DRAINAGE SYSTEM	1/1/1969	8,213	7,862
	12/20/1990	11,312	10,829
STRUCTL SUPPS (WOOD & STEEL)	6/13/1982	3,917	3,506
	11/15/1987	36,451	15,440
	2/12/1988	35,135	0
	8/29/1989	118,529	78,806
	11/15/1989	108,619	95,871
	12/20/1990	570,818	546,449
	11/5/1995	203,039	164,898
	9/7/1996	199,207	161,980
SURGE TANK	9/7/1996	31,117	25,409
SWITCHES(LOAD BREAK & ISO SW)	9/7/1996	59,158	48,298
TRANSFORMERS-CURRENT	9/10/1974	6,298	4,047
	6/12/1977	55,143	51,441
	1/15/1982	62,678	60,002
	2/12/1988	42,153	0
	11/15/1989	9,351	4,312
	1/15/1990	33,046	26,697
TRANSFORMERS-OTHER	11/5/1995	59,086	57,150
TRANSFORMERS-POLE TYPE-15KVA	1/15/1996	1,011,485	823,675
TRANSFORMERS-POLE TYPE-50KVA	1/15/1996	3,232	2,627
TRANSFORMERS - POLE TYPE-75KV.	6/1/1985	17,396	13,803
	9/7/1996	4,985	3,958
TRANSFORMERS - POTENTIAL	6/12/1969	11,558	4,896
	1/15/1970	54,105	41,193
	6/12/1977	24,507	21,491
	6/12/1981	31,785	13,464
	1/15/1982	113,921	107,507
	8/25/1983	9,195	8,569
	11/14/1987	957	405
	1/15/1988	48,902	45,924
	2/12/1988	15,286	0
	1/15/1990	104,393	94,108
	12/20/1990	6,227	5,968
	11/5/1995	111,769	90,773
	1/15/1996	77,021	62,723
	9/7/1996	12,126	9,792
TRANSFORMERS - POWER	1/1/1970	17,348	4,942
	1/15/1970	76,693	0
	1/1/1971	22,150	7,596
	1/1/1974	23,979	12,007
	9/11/1979	6,761	5,173

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/15/1982	762,986	622,764
	1/15/1988	578,535	543,303
	1/15/1990	846,954	687,411
	8/30/1990	30,947	12,531
	11/5/1995	1,364,371	1,108,383
	1/15/1996	995,867	804,994
VOLTAGE REGULATORS	1/1/1970	45,000	12,819
WATER SUPPLY SYSTEM	12/20/1990	18,979	18,169
	11/5/1995	31,131	25,283
	9/7/1996	39,359	32,136
WATER SUPPLY SYSTEM - WELL	1/1/1969	31,622	30,272

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY-DC DISTRIBUTION BRD.	11/1/1986	6,466	585
BATTERY BANKS	6/12/1968	23,740	23,143
	10/15/1968	35,297	3,838
	1/1/1969	13,037	6,362
	1/1/1971	53,857	53,271
	1/1/1972	17,094	11,435
	9/10/1972	17,191	11,916
	7/4/1978	2,785	2,042
	3/1/1979	8,963	6,739
	11/8/1980	15,216	12,373
	10/29/1986	2,712	222
	9/11/1991	11,328	912
	12/11/1992	23,493	21,283
	2/18/2000	32,903	32,137
	11/30/2003	107,713	106,543
	7/13/2004	16,221	15,296
	10/6/2004	26,154	24,923
	12/15/2005	103,205	102,895
BATTERY CHARGERS	1/1/1966	3,116	2,827
	6/12/1967	13,216	12,701
	6/12/1968	5,078	969
	10/15/1968	14,813	2,831
	1/1/1969	2,972	218
	6/12/1969	5,078	2,351
	1/1/1971	7,012	6,353
	9/10/1972	9,113	5,900
	1/1/1977	1,375	0
	7/4/1978	199	146
	1/1/1980	2,266	1,753
	11/5/1980	7,709	6,100
	11/8/1980	6,027	4,901
	9/11/1984	3,405	3,145
	7/28/1992	20,081	1,212
	12/10/1993	9,113	3,534
	11/5/1995	7,133	5,793
BUILDINGS-CONCRETE	1/1/1967	102,213	5,948
	9/10/1967	1,551	0
	1/1/1968	124,852	15,284
	10/15/1968	50,448	11,672
	1/1/1970	58,098	13,442
	1/1/1971	40,122	27,213
	9/10/1972	63,652	35,992
	1/1/1974	22,896	11,262
	1/1/1977	253,957	6,583
	2/24/1979	121,184	90,836
	8/1/1979	3,730	2,845
	1/1/1980	7,459	5,770
	6/15/1980	214,604	172,500
	11/5/1980	20,811	16,466
	7/1/1982	250,497	230,036
	11/1/1984	8,600	8,062
	11/22/1985	7,565	6,850
	11/25/1985	9,563	8,688
	11/26/1985	710	645
	12/31/1985	9,108	1,003
	9/16/1988	5,508	3,136

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/26/1989	24,639	0
	9/11/1991	22,318	13,069
BUILDINGS-METAL	1/1/1967	46,786	2,724
	1/1/1977	15,236	5,202
	11/5/1980	133,530	105,648
	11/8/1980	178,290	144,972
	8/12/1981	235,741	205,476
	2/28/1983	212,474	197,199
	12/11/1992	80,485	72,912
	8/25/1995	19,838	1,697
BUILDINGS-WOODEN	1/1/1974	5,307	2,610
	11/5/1980	378	299
	11/24/1980	1,582	1,251
	10/1/2000	59,332	24,894
BUSWORK AND HARDWARE	1/1/1967	46,594	2,712
	5/15/1967	11,743	904
	1/1/1968	77,576	9,645
	10/15/1968	14,579	13,483
	1/1/1969	8,000	1,775
	1/1/1970	198,035	49,772
	1/1/1974	8,695	4,277
	1/1/1975	68,040	38,471
	1/1/1976	2,298	1,477
	1/1/1977	238,138	44,780
	1/1/1978	98,232	69,966
	5/15/1978	28,041	20,422
	7/4/1978	4,026	2,952
	2/1/1979	6,218	4,661
	8/4/1979	2,768	2,112
	6/30/1980	3,535	2,841
	11/5/1980	30,761	24,337
	11/8/1980	38,573	31,365
	11/30/1980	26,524	21,567
	1/24/1981	51,500	44,348
	8/18/1981	27,822	24,250
	12/24/1981	15,509	13,606
	4/13/1982	23,039	20,500
	4/14/1982	31,271	26,267
	7/6/1982	26,789	23,907
	10/19/1982	34,456	31,464
	11/21/1982	2,563	2,371
	12/11/1982	12,891	11,794
	9/2/1983	1,582	1,467
	11/10/1983	18,365	17,022
	12/22/1983	118,803	110,827
	12/23/1983	27,663	25,806
	9/26/1986	14,364	12,911
	12/9/1986	66,659	7,024
	5/1/1987	5,755	5,273
	5/2/1987	7,700	7,055
	6/29/1987	19,289	17,077
	11/14/1987	33,838	14,333
	3/9/1989	28,282	21,635
	8/31/1989	18,831	1,302
	1/9/1990	18,800	17,622
	3/30/1990	705	514
	6/27/1990	13,089	8,655

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/20/1990	49,804	47,616
	8/27/1991	14,288	13,666
	10/31/1991	20,773	4,139
	7/3/1992	1,859	334
	10/25/1992	21,054	19,413
	12/11/1992	97,059	87,927
	10/28/1993	22,756	8,582
	9/15/1995	127,966	12,380
	9/2/1997	55,916	5,898
	9/24/1998	114,181	28,567
	2/24/2000	24,178	10,977
	9/16/2000	27,151	23,609
	10/19/2000	3,057	2,992
CABLE TRNCH/DUCT/EMBED CONDU	1/1/1967	45,244	2,633
	1/1/1968	65,736	8,045
	10/15/1968	1,549	1,433
	1/1/1970	121,893	30,572
	1/1/1972	12,861	6,327
	1/1/1975	15,303	8,653
	1/1/1977	14,064	9,282
	1/1/1978	26,866	19,119
	5/15/1978	1,390	1,012
	8/4/1979	7,926	6,047
	11/5/1980	37,892	29,980
	11/8/1980	24,178	19,659
	1/1/1981	4,376	3,574
	12/24/1981	3,377	2,962
	4/14/1982	9,967	8,373
	7/6/1982	14,612	13,040
	10/19/1982	1,120	1,023
	12/22/1983	18,189	16,968
	11/14/1987	33,263	14,090
	8/31/1989	15,835	1,095
	9/24/1989	8,575	2,446
	1/9/1990	13,289	12,457
	3/30/1990	8,123	5,918
	12/20/1990	6,023	5,759
	8/27/1991	22,771	21,779
	10/25/1992	19,830	18,285
	12/11/1992	8,403	7,613
	10/28/1993	6,622	2,497
	9/15/1995	36,014	3,484
	2/24/2000	68,281	31,670
CABLES - CONTROL	1/1/1967	70,555	4,106
	1/1/1968	67,933	8,315
	1/1/1970	209,277	49,051
	1/1/1974	55,054	27,267
	1/1/1975	13,512	7,640
	1/1/1976	243	156
	1/1/1977	89,937	8,148
	1/1/1978	56,955	40,629
	5/15/1978	20,565	14,977
	7/23/1978	1,392	1,021
	8/24/1978	1,976	1,453
	2/1/1979	8,284	6,210
	8/4/1979	8,106	6,184
	1/1/1980	2,226	1,722

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/5/1980	15,152	11,988
	11/8/1980	22,759	18,506
	11/30/1980	4,464	3,630
	1/24/1981	21,303	18,344
	8/18/1981	32,093	27,972
	11/17/1981	2,194	1,428
	12/24/1981	3,343	2,933
	4/13/1982	28,038	24,947
	4/14/1982	22,916	19,249
	7/6/1982	27,298	24,360
	10/19/1982	10,965	10,013
	11/21/1982	3,603	3,333
	9/2/1983	6,572	6,095
	11/10/1983	13,210	12,244
	12/22/1983	29,675	27,683
	12/23/1983	17,383	16,216
	3/3/1984	3,304	3,057
	5/25/1984	2,245	2,076
	9/12/1984	2,578	2,393
	7/26/1985	2,809	2,604
	7/27/1985	19,267	17,864
	8/28/1986	1,324	1,208
	8/29/1986	6,388	5,831
	9/26/1986	13,210	11,874
	12/9/1986	63,264	6,667
	3/25/1987	6,004	5,432
	6/28/1987	7,080	6,268
	11/14/1987	45,917	19,450
	3/31/1988	4,992	1,617
	11/10/1988	4,037	3,641
	2/28/1989	2,523	2,292
	8/31/1989	42,994	2,973
	9/24/1989	8,421	2,402
	1/9/1990	27,112	25,413
	6/27/1990	22,418	14,823
	8/10/1990	34,865	2,684
	12/20/1990	18,859	18,031
	8/27/1991	44,010	42,092
	10/31/1991	2,611	520
	5/4/1992	7,152	1,634
	7/3/1992	7,822	1,404
	10/25/1992	10,626	9,798
	12/11/1992	17,409	15,771
	10/28/1993	40,287	15,193
	4/30/1994	125	43
	6/8/1994	1,567	971
	11/30/1994	192,725	96,993
	2/26/1996	3,325	2,693
	6/30/1998	1,187	825
	9/24/1998	20,928	5,236
	8/10/1999	9,023	7,130
	2/24/2000	35,021	15,900
	10/19/2000	5,226	5,116
	4/30/2001	56,608	30,083
	7/11/2001	10,763	10,572
	10/28/2001	13,413	11,334
	12/17/2003	18,087	17,928

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/15/2005	34,584	34,573
CABLES - POWER 5KV & ABOVE	1/1/1977	1,550	0
	1/1/1978	12,199	8,668
	8/4/1979	165	126
	12/22/1983	29,675	27,683
	8/27/1991	138,526	132,489
CABLES - POWER CABLE	1/1/1977	11,039	0
	12/23/1983	17,378	16,211
	11/14/1987	22,760	9,641
	10/15/1995	87,985	9,537
CABLES - TRAYS AND CONDUIT	1/1/1977	15,127	0
	1/1/1978	2,398	1,704
	10/28/1993	9,423	3,554
CAPACITORS	1/1/1966	44,471	12,809
	1/1/1971	260,900	254,827
	1/1/1976	24,435	15,701
	6/12/1980	73,113	67,768
	4/16/1982	23,267	16,173
	10/7/1983	69,680	64,615
	5/30/1987	83,726	74,513
	1/10/2000	156,647	153,000
CIRCUIT BREAKERS	1/1/1966	456,242	311,875
	1/1/1967	505,458	33,971
	6/12/1967	19,160	10,020
	9/10/1967	279,349	248,233
	1/1/1968	284,528	36,049
	10/15/1968	577,314	172,710
	1/1/1969	16,000	3,551
	6/12/1969	84,034	35,596
	1/1/1970	897,609	474,863
	12/1/1970	95,883	19,130
	1/1/1971	535,912	364,997
	1/1/1972	188,789	131,257
	9/10/1972	226,192	177,447
	1/1/1974	99,479	49,213
	9/10/1974	43,798	28,144
	1/1/1975	64,368	36,394
	6/12/1975	219,897	175,140
	1/1/1977	93,586	22,030
	6/12/1977	369,471	328,750
	5/15/1978	107,152	78,040
	6/12/1980	76,942	71,317
	11/5/1980	122,982	97,305
	6/12/1981	151,326	137,495
	11/17/1981	8,287	5,394
	4/13/1982	47,687	42,431
	12/9/1986	28,317	2,984
	12/31/1991	63,265	12,029
	12/11/1992	1,000,804	906,642
	10/28/1993	272,449	102,878
	10/30/1994	21,433	20,366
	12/20/1996	4,550	0
	2/12/1997	34,969	22,111
	6/13/1997	158,589	32,349
	2/24/2000	175,796	171,703
	10/19/2000	89,058	87,181
	1/1/2003	26,220	25,392

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/15/2005	50,012	49,996
COMPRESSED AIR SYS-AIR RECIEV	1/1/1967	4,353	253
	1/1/1970	1,504	348
	1/1/1974	2,328	1,145
	1/1/1976	6,027	3,873
	1/1/1977	17,686	10,519
	1/1/1978	4,100	2,945
COMPRESSED AIR SYS-COMP & DRS	1/1/1967	861	50
	1/1/1968	15,848	1,939
	4/16/1968	7,040	0
	6/12/1969	22,914	11,875
	1/1/1974	34,920	17,175
	1/1/1977	56,555	27,012
	10/31/1987	21,814	3,895
	12/18/1989	15,971	3,524
	12/31/1989	37,602	14,137
	8/30/1990	34,399	16,898
	3/18/1993	24,512	7,808
	3/31/2000	55,503	54,224
	5/8/2001	102,582	41,024
COMPRESSED AIR SYS-INTR AIR DR	1/1/1966	23,346	11,164
	1/1/1969	15,637	2,914
	1/1/1974	2,328	1,145
	1/1/1977	3,290	473
	12/20/1988	6,303	1,253
	12/31/1989	10,372	4,465
	9/3/1993	19,495	1,639
	11/30/1999	45,702	43,008
	5/1/2002	7,885	7,743
COMPRESSED AIR SYS- OTHER	1/1/1967	10,646	620
	1/1/1968	8,103	992
	1/1/1970	19,230	4,447
	1/1/1971	70,605	53,322
	1/1/1974	6,984	3,435
	1/1/1975	25,770	14,570
	1/1/1976	15,040	9,664
	1/1/1977	15,651	8,061
	1/1/1978	4,713	3,385
	5/22/1981	6,640	1,580
	10/19/1982	538	491
	8/30/1990	7,144	3,508
	12/21/1992	4,032	797
	12/15/2001	13,091	12,881
	1/16/2003	9,010	8,865
CONDUCTOR - 266.8MCM / ACSR	8/21/2003	10,385	10,258
CONDUCTOR - 795MCM / ACSR	12/20/1996	27,888	0
CTL/MTR/RELAYING-OSC'GPH-AUTO	3/20/1997	60,314	25,171
CTL/METER/RELAYING - OTHER	1/1/1967	75,668	4,404
	1/1/1968	142,899	17,709
	4/16/1968	53,944	37,414
	1/1/1969	10,000	2,219
	1/1/1970	228,668	55,260
	1/1/1974	116,858	57,742
	1/1/1975	17,980	10,166
	1/1/1977	226,435	9,332
	1/1/1978	137,082	97,698
	5/15/1978	16,316	11,883

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/23/1978	17,165	12,585
	8/24/1978	7,209	5,303
	2/1/1979	45,623	34,198
	2/24/1979	2,674	2,004
	8/4/1979	30,427	23,212
	1/1/1980	28,916	22,366
	11/5/1980	86,034	68,070
	11/8/1980	31,376	24,940
	12/31/1980	1,641	1,338
	1/1/1981	32,693	13,131
	1/24/1981	11,065	9,528
	8/18/1981	50,155	43,716
	10/11/1981	8,032	0
	12/24/1981	37,714	33,085
	4/12/1982	24,332	21,650
	4/14/1982	49,685	41,735
	7/6/1982	66,615	59,447
	10/19/1982	20,654	18,861
	11/1/1982	3,998	3,573
	11/21/1982	18,240	16,872
	3/3/1983	1,559	1,450
	6/9/1983	1,796	1,661
	9/2/1983	5,006	4,643
	11/10/1983	24,454	22,666
	12/22/1983	218,974	204,273
	12/23/1983	68,487	63,889
	12/31/1983	1,943	1,799
	3/3/1984	20,494	18,961
	5/25/1984	29,757	27,522
	9/12/1984	19,476	18,075
	7/27/1985	116,006	107,556
	10/12/1985	7,667	7,075
	11/16/1985	63,271	57,573
	11/30/1985	7,833	7,213
	3/18/1986	5,721	5,266
	3/19/1986	5,721	5,266
	3/27/1986	862	787
	3/28/1986	13,389	12,223
	8/28/1986	15,241	13,913
	8/29/1986	70,161	64,045
	9/20/1986	14,503	13,096
	9/26/1986	20,176	18,135
	12/9/1986	91,562	9,648
	12/30/1986	15,243	0
	2/12/1987	7,164	6,359
	3/14/1987	22,505	19,901
	3/24/1987	10,620	9,608
	3/25/1987	62,714	56,742
	5/2/1987	15,243	13,965
	6/28/1987	2,869	2,540
	8/25/1987	7,743	6,874
	9/12/1987	19,765	17,569
	10/1/1987	5,651	5,034
	10/31/1987	6,021	5,360
	11/14/1987	4,628	1,960
	3/31/1988	19,580	12,216
	4/15/1988	28,431	11,058

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	4/29/1988	19,061	7,098
	11/10/1988	9,381	8,461
	3/9/1989	3,828	2,907
	8/31/1989	35,411	2,449
	9/24/1989	29,724	8,479
	9/29/1989	62,393	52,846
	11/29/1989	1,586	1,312
	1/9/1990	41,642	39,033
	9/28/1990	267,483	91,452
	12/20/1990	77,241	73,848
	8/27/1991	84,447	80,767
	10/11/1991	8,032	1,557
	1/28/1992	34,017	12,639
	3/31/1992	348,773	135,998
	5/4/1992	54,469	14,737
	7/3/1992	3,088	554
	10/25/1992	20,235	18,658
	12/11/1992	193,560	175,349
	10/28/1993	128,660	48,520
	3/31/1994	77,505	20,510
	4/30/1994	40,326	13,968
	5/19/1994	240,502	112,870
	6/8/1994	34,493	21,719
	9/30/1994	112,058	9,952
	10/27/1994	78,092	75,104
	4/30/1995	63,877	53,960
	5/7/1995	7,785	2,948
	10/15/1995	126,681	13,731
	12/31/1995	9,817	5,993
	3/20/1997	30,157	18,898
	11/18/1997	3,329	3,232
	12/29/1997	68,996	36,112
	2/6/1998	50,387	23,511
	3/23/1998	32,801	9,891
	3/31/1999	41,819	41,151
	6/11/1999	231,096	43,931
	8/10/1999	1,566	1,270
	2/29/2000	33,352	32,623
	4/5/2000	84,064	18,931
	8/11/2000	229,403	224,647
	12/8/2000	230,499	225,963
	5/18/2001	62,338	17,986
	7/11/2001	217,877	214,005
	10/28/2001	225,434	190,492
	10/31/2001	239,180	203,283
	11/11/2001	22,640	22,268
	12/14/2001	38,312	37,697
	12/21/2001	93,964	87,654
	10/30/2002	48,169	47,353
	11/29/2002	14,270	14,035
	12/30/2002	55,647	54,758
	11/1/2003	79,671	0
	12/23/2003	98,812	97,782
	1/30/2004	76,909	76,265
	12/1/2004	61,109	60,841
	12/15/2005	90,568	90,539
CTL/MTR/RELAYING-STN ALARM PNL	4/16/1968	14,115	9,785

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1970	60,768	18,312
CTL/MTR/RELAYING-SYNCH. PANEL	10/15/1968	9,944	0
CTL/MTR/RELAYNG-TEMP/FREQ PNL	4/16/1968	2,392	2,094
	1/28/1992	7,282	2,888
CTL/MTR/RELAYING-TIME ERR PNL	12/30/1999	7,545	7,385
CTL/MTR/RELAYING-UNIT CTL PNL	1/1/1967	67,179	3,910
	11/14/1987	66,441	28,143
	2/6/1998	7,529	3,513
	9/29/2004	39,443	39,228
	12/12/2004	43,342	43,152
CTL/MTR/RELAYING-UNIT PROT PNL	1/1/1966	25,126	24,530
	1/1/1977	14,387	0
	11/30/1980	49,484	40,237
	7/27/1985	24,932	23,116
	1/14/1986	7,307	914
	9/28/1990	19,532	4,003
	2/24/2000	104,448	102,016
CTL/MTR/RELAYING-VOLT/MW PNL	4/15/1988	21,448	9,197
	7/3/1992	40,044	7,186
COUNTERPOISE	4/14/1982	12,909	10,843
DISCONNECT SWITCHES	1/1/1966	176,869	91,478
	1/1/1967	280,537	43,544
	5/15/1967	4,376	337
	6/12/1967	123,371	47,792
	9/10/1967	191,150	170,011
	1/1/1968	183,262	21,908
	3/31/1968	11,132	1,468
	10/15/1968	275,586	119,608
	1/1/1969	101,161	69,747
	6/12/1969	135,066	53,981
	1/1/1970	668,476	325,373
	1/1/1971	233,257	96,132
	1/1/1972	121,242	92,288
	9/10/1972	133,742	91,155
	6/12/1975	83,248	64,412
	1/1/1976	5,289	3,398
	1/1/1977	68,636	16,241
	6/12/1977	126,329	111,909
	1/1/1978	64,335	45,869
	5/15/1978	33,293	24,247
	2/1/1979	14,262	10,690
	8/4/1979	3,066	2,339
	6/12/1980	23,257	21,557
	6/30/1980	45,183	36,318
	11/5/1980	37,049	29,314
	11/8/1980	3,327	2,705
	6/12/1981	26,660	23,388
	12/24/1981	3,505	3,074
	12/11/1982	29,404	26,901
	12/9/1986	26,286	2,770
	8/29/1989	1,297	862
	9/10/1989	161,655	139,033
	1/9/1990	181,253	169,898
	8/27/1991	58,791	56,229
	10/15/1995	89,617	9,714
	9/24/1998	123,806	31,096
	1/10/2000	10,994	10,738

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/24/2000	10,994	10,738
	8/1/2000	49,004	47,986
	12/17/2003	94,006	93,184
	3/31/2004	5,835	5,791
	12/15/2004	103,023	102,571
	12/14/2005	101,317	101,284
EMS - OTHER	11/30/1998	47,647	12,891
FENCING	1/1/1967	31,817	1,852
	6/12/1967	58,951	12,522
	1/1/1968	13,626	1,669
	1/1/1969	10,798	1,775
	1/1/1970	32,582	7,535
	1/1/1972	65,739	64,659
	1/1/1977	18,695	9,893
	1/1/1978	29,494	21,042
	5/15/1978	7,043	5,129
	7/4/1978	761	558
	8/4/1979	1,821	1,389
	11/5/1980	10,908	8,630
	11/8/1980	21,767	17,699
	11/30/1980	12,673	10,305
	12/24/1981	9,590	8,413
	7/6/1982	8,672	7,739
	11/1/1982	10,169	9,448
	12/22/1983	22,685	21,162
	9/26/1986	3,420	3,074
	12/9/1986	4,242	447
	11/14/1987	19,316	8,182
	8/31/1989	14,264	987
	1/9/1990	14,246	13,354
	8/27/1991	5,032	4,813
	10/31/1991	9,210	1,835
	10/28/1993	1,559	588
	10/15/1995	23,982	2,599
FIRE FIGHTING-BLDG FIRE PROT	1/1/1977	28,858	0
	7/23/1986	18,968	16,942
	11/15/1986	12,424	1,206
FIRE FIGHTING - OTHER	9/10/1967	14,671	13,896
FOUNDATIONS (CONC) FOR BLDGS	1/1/1967	25,397	1,478
	1/1/1968	3,305	405
	1/1/1970	10,253	2,371
	1/1/1974	4,040	1,987
	1/1/1975	36,721	20,762
	1/1/1977	72,059	6,781
	1/1/1978	13,096	9,407
	2/24/1979	22,304	16,718
	11/5/1980	38,693	30,614
	11/8/1980	31,921	25,956
	8/18/1981	11,443	9,974
	7/1/1982	14,300	13,132
	12/11/1992	18,358	16,630
	10/30/1994	5,427	5,157
FOUNDATIONS (CONC) FOR EQUIP	1/1/1967	98,666	5,742
	1/1/1968	214,372	26,328
	1/1/1970	273,465	68,334
	1/1/1974	32,947	16,205
	1/1/1975	71,721	40,551

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1977	224,983	98,396
	1/1/1978	139,690	99,661
	5/15/1978	132,552	96,536
	7/4/1978	750	550
	8/4/1979	48,908	37,311
	2/20/1980	3,653	2,908
	1/1/1981	41,394	31,921
	8/18/1981	27,881	24,301
	12/24/1981	12,446	10,918
	4/14/1982	75,459	63,385
	7/6/1982	52,761	47,083
	10/19/1982	78,708	71,872
	11/10/1983	14,093	13,063
	12/22/1983	141,932	132,404
	12/23/1983	27,763	25,899
	9/26/1986	13,724	12,335
	12/9/1986	27,261	2,874
	11/14/1987	101,963	43,190
	3/9/1989	5,216	3,961
	8/31/1989	58,005	4,012
	9/24/1989	11,007	3,140
	1/9/1990	56,346	52,817
	12/20/1990	40,096	38,334
	6/7/1991	8,773	7,545
	8/27/1991	81,072	77,540
	10/31/1991	34,641	6,902
	7/3/1992	8,222	1,476
	10/25/1992	24,999	23,051
	12/11/1992	30,414	27,552
	10/28/1993	70,900	26,738
	9/15/1995	217,167	21,010
	12/8/2000	30,492	29,887
	11/30/2001	2,227	2,190
FREQ CONVERSION - CONVERTOR	1/1/1977	1,457,868	0
FREQ CONVERSION - ELEC REOSTA	1/1/1977	41,543	0
FREQUENCY CONVERSION - EXCITE	1/1/1977	103,804	0
	1/16/1982	12,044	10,963
FREQ CONVER. - STARTING MOTOR	1/1/1977	4,000	0
FUEL OIL SYSTEMS	8/20/1996	31,346	30,243
	12/31/1996	32,734	31,780
GROUNDING	1/1/1967	99,515	5,792
	1/1/1968	107,284	13,131
	1/1/1970	88,691	22,891
	1/1/1974	2,184	1,084
	1/1/1975	47,893	27,079
	1/1/1977	39,885	18,173
	1/1/1978	54,271	38,701
	5/15/1978	19,744	14,379
	2/1/1979	1,086	814
	8/4/1979	13,700	10,452
	6/30/1980	4,578	3,680
	11/5/1980	48,245	38,171
	11/8/1980	16,646	13,535
	11/30/1980	1,280	1,041
	8/18/1981	5,499	4,793
	12/24/1981	3,721	3,264
	4/13/1982	13,690	12,181

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	4/14/1982	16,775	14,091
	7/6/1982	31,320	27,950
	10/19/1982	6,795	6,205
	6/9/1983	827	765
	11/10/1983	5,956	5,521
	12/22/1983	24,608	22,956
	9/26/1986	2,683	2,412
	12/9/1986	26,925	2,837
	6/28/1987	7,173	6,350
	11/14/1987	55,649	23,572
	2/28/1989	1,228	1,115
	8/31/1989	19,874	1,374
	9/24/1989	9,128	2,604
	3/30/1990	3,283	2,392
	12/20/1990	20,764	19,852
	8/27/1991	23,765	22,729
	10/31/1991	17,679	3,523
	7/3/1992	1,164	209
	10/25/1992	11,547	10,648
	12/11/1992	7,153	6,480
	10/28/1993	10,048	3,789
	10/15/1995	91,664	9,935
INSULATORS - PIN TYPE	1/1/1967	4,006	233
	1/1/1974	615	321
	1/1/1975	48	27
	1/1/1978	5,411	3,845
	12/24/1981	59	52
	4/13/1982	1,229	1,093
	4/14/1982	235	197
	6/28/1987	2,008	1,777
INSULATORS - POST TYPE	1/1/1967	3,705	216
	1/1/1968	13,866	1,697
	1/1/1970	23,819	6,070
	1/1/1974	2,637	1,297
	1/1/1977	4,416	2,995
	1/1/1978	6,579	4,674
	8/4/1979	2,734	2,086
	11/5/1980	4,225	3,343
	11/8/1980	2,913	2,369
	12/24/1981	2,817	2,472
	4/13/1982	3,204	2,851
	4/14/1982	20,697	17,386
	7/6/1982	8,389	7,486
	10/19/1982	32,162	29,369
	12/11/1982	3,730	3,412
	11/10/1983	2,219	2,057
	12/22/1983	24,279	22,649
	12/23/1983	2,877	2,684
	12/9/1986	7,562	797
	11/14/1987	21,671	9,179
	8/31/1989	7,456	516
	1/9/1990	7,153	6,705
	12/20/1990	14,240	13,615
	8/27/1991	80,388	76,885
	10/31/1991	23,159	4,615
	10/25/1992	4,530	4,177
	10/28/1993	105,843	39,915

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/15/1995	192,840	20,902
	12/20/1996	8,969	0
INSULS-SUSPENSION (50KV & UP)	1/1/1967	13,217	769
	5/15/1967	1,440	111
	1/1/1968	2,176	266
	1/1/1970	36,608	8,636
	1/1/1974	8,617	4,383
	1/1/1977	13,229	8,283
	1/1/1978	4,651	3,305
	8/4/1979	6,445	4,917
	11/5/1980	3,948	3,124
	11/8/1980	3,149	2,561
	12/24/1981	604	530
	4/13/1982	3,171	2,822
	4/14/1982	9,230	7,753
	7/6/1982	5,985	5,341
	10/19/1982	10,212	9,325
	11/10/1983	350	324
	12/22/1983	8,712	8,127
	6/28/1987	1,745	1,545
	11/14/1987	5,276	2,235
	8/31/1989	9,749	674
	1/9/1990	4,196	3,933
	12/20/1990	7,542	7,211
	8/27/1991	3,785	3,620
	10/31/1991	4,039	805
	10/25/1992	20,054	18,492
	12/11/1992	3,187	2,887
	10/28/1993	17,792	6,710
	10/15/1995	11,414	1,237
	12/20/1996	13,212	0
	8/21/2003	36,266	35,823
INSULS-SUSPENSION (BELOW 50KV)	5/15/1967	756	58
	1/1/1974	610	319
	1/1/1975	47	27
L.V. SWITCHING - BUSWORK	1/1/1969	10,000	2,219
LV SWITCHING-CIRC.BKRS/RECLSRS	1/1/1969	12,000	2,663
LAND ACQUISITIONS	1/1/1967	17,023	17,023
	10/15/1968	3,891	3,891
	9/10/1972	2,000	2,000
	1/1/1977	15,370	15,370
	1/1/1978	21,134	21,134
	10/25/1995	216,186	216,186
LAND IMPROVEMENTS	1/1/1967	107,474	6,255
	5/15/1967	1,880	145
	1/1/1968	54,305	6,649
	1/1/1970	279,031	64,034
	1/1/1974	113,546	55,848
	1/1/1976	6,850	4,401
	1/1/1977	101,820	68,126
	1/1/1978	519,188	371,237
	8/4/1979	8,505	6,489
	9/19/1980	16,697	13,516
	11/5/1980	175,209	138,625
	11/8/1980	69,981	56,903
	11/30/1980	28,630	23,280
	1/1/1981	27,031	2,976

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/24/1981	41,467	35,708
	12/24/1981	11,145	9,777
	4/14/1982	52,371	43,991
	7/6/1982	48,763	43,516
	10/19/1982	12,980	11,853
	12/22/1982	12,374	11,436
	12/22/1983	69,154	64,511
	12/23/1983	9,834	9,174
	12/9/1986	5,830	615
	11/14/1987	68,121	28,854
	8/31/1989	11,988	829
	9/24/1989	12,202	3,481
	10/27/1989	5,370	490
	1/9/1990	58,821	55,137
	3/30/1990	956	696
	6/1/1990	13,493	747
	10/10/1990	13,626	6,457
	12/20/1990	16,165	15,455
	8/27/1991	12,856	12,296
	10/31/1991	26,076	5,196
	12/12/1991	7,522	1,587
	10/25/1992	12,343	11,381
	12/10/1992	7,013	5,127
	12/11/1992	1,100	997
	10/28/1993	31,837	12,006
	9/15/1995	63,610	6,154
LIGHTING SYSTEM - SWITCHYARD	1/1/1967	35,193	2,048
	1/1/1968	14,236	1,743
	1/1/1970	22,416	5,336
	1/1/1974	4,343	2,136
	1/1/1975	22,240	12,575
	1/1/1977	29,523	18,271
	7/17/1977	437	303
	1/1/1978	12,805	9,124
	5/15/1978	1,668	1,215
	2/1/1979	599	449
	8/4/1979	937	715
	11/5/1980	3,148	2,491
	11/8/1980	9,859	8,017
	8/18/1981	4,033	3,515
	12/24/1981	2,407	2,112
	4/13/1982	1,157	1,030
	4/14/1982	10,684	8,981
	7/6/1982	3,003	2,679
	10/19/1982	4,721	4,311
	12/22/1983	6,155	5,742
	12/23/1983	4,338	4,047
	9/26/1986	500	449
	12/9/1986	5,357	565
	11/14/1987	9,396	3,980
	8/31/1989	2,867	198
	1/9/1990	3,095	2,902
	3/30/1990	198	144
	12/20/1990	3,833	3,665
LIGHTNING ARRESTOR	1/1/1967	12,215	711
	5/15/1967	3,000	231
	1/1/1968	8,391	1,027

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/15/1968	72,240	31,909
	1/1/1970	37,510	10,801
	1/1/1977	755	0
	1/1/1978	12,322	8,926
	9/26/1986	5,703	5,126
	12/19/1994	2,591	1,995
	2/24/2000	16,272	15,893
	12/30/2000	3,289	3,222
	2/12/2004	13,337	13,230
	3/31/2004	6,412	6,363
	12/14/2005	25,820	25,811
METERING TANKS	1/1/1966	2,500	0
	1/1/1972	7,362	5,918
	12/24/1981	15,956	13,998
	8/4/1983	5,347	4,983
METERS - DEMAND	1/1/1978	1,429	1,026
	11/30/1980	2,415	1,964
	12/24/1981	2,657	2,331
METERS - OTHER	12/20/1996	29,464	0
	3/10/1997	2,106	0
	11/18/1997	7,273	7,062
	12/31/2003	31,931	0
MISC UNITS OF PROP	1/1/1967	71,598	4,167
	1/1/1968	44,178	5,407
	6/12/1969	2,333	1,148
	1/1/1970	112,625	28,512
	1/1/1974	118,724	58,037
	1/1/1975	38,228	21,614
	1/1/1977	43,795	19,956
	12/31/1978	66,036	49,195
	11/5/1980	27,170	21,497
	8/31/1989	36,827	2,547
	8/27/1991	31,780	30,395
	10/30/1994	4,015	3,815
	12/30/1999	1,663	1,628
	5/25/2001	32,517	16,094
	12/31/2003	35,523	35,153
POLE STRUCTURE WOOD TYPE 3	11/5/1980	9,979	7,896
POLE STRUCUTRES WOOD TYPE OT	1/1/1968	2,707	416
	1/1/1970	1,703	394
	6/30/1980	16,389	13,173
	11/10/1983	6,148	5,698
	10/25/1992	4,915	4,532
POLES-WOOD 35'	12/22/1983	2,643	2,466
POLES-WOOD 45'	12/22/1983	2,398	2,237
POLES-WOOD 50'	12/22/1983	858	800
POLES-WOOD 60'	12/11/1982	1,166	1,066
POLES-WOOD 70'	12/20/1996	31,052	0
PROTECTIVE CTL & RELAY PNLS	3/31/1999	115,608	58,908
	12/17/2003	4,732	4,691
	12/22/2004	128,377	127,814
REACTORS AND RESISTORS	1/1/1977	30,440	0
	1/1/1978	8,000	5,685
	6/12/1981	11,332	10,869
	2/24/2000	201,957	197,255
RECLOSERS	11/23/1984	15,954	14,746
REGULATORS	1/1/1977	18,965	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
REVENUE MTRING - MTEING TANKS	6/12/1977	2,157	1,663
	12/31/1980	6,604	5,382
REVENUE MTRING-SPEEDOMAX RE(	1/1/1976	3,683	0
	1/1/1977	3,683	0
	11/21/1982	2,522	2,332
	5/21/1983	10,579	9,809
	11/1/1983	2,814	2,619
	2/14/1984	14,335	13,253
	2/28/1986	4,758	4,279
	10/1/1986	10,243	9,471
	10/2/1986	3,414	3,157
	3/9/1988	5,043	4,484
	9/19/1988	896	815
	4/14/1989	4,521	3,136
	7/29/1991	6,791	6,390
	12/31/1991	4,402	4,121
	1/28/1992	9,886	831
	10/1/1992	2,772	1,505
	12/31/1992	5,074	4,574
REV.MTRING-STATREL DUPL RELAY	11/1/1983	9,860	9,177
	2/14/1984	1,388	1,283
	10/1/1984	4,499	4,160
	4/30/1987	1,567	1,387
	8/30/1994	236	0
REVENUE MTRING-TERM. METERS	1/1/1967	12,751	742
	1/1/1968	6,820	1,023
	1/1/1970	480	111
	1/1/1974	13,100	6,259
	1/1/1976	6,300	4,048
	1/1/1977	497	0
	7/17/1977	2,401	1,668
	1/1/1978	2,370	1,702
	5/15/1978	2,920	2,127
	1/1/1979	2,233	1,669
	6/25/1979	517	392
	8/4/1979	4,640	3,540
	8/25/1979	518	395
	1/1/1980	15,488	11,979
	6/30/1980	3,222	2,590
	12/31/1980	724	590
	1/1/1981	19,996	15,514
	12/24/1981	691	606
	5/21/1983	7,064	6,550
	11/1/1983	591	550
	2/13/1984	2,339	2,162
	10/1/1984	7,252	6,705
	6/1/1985	5,043	0
	2/28/1986	6,720	6,043
	11/27/1986	4,302	3,810
	8/31/1987	2,661	2,366
	11/13/1987	7,345	6,540
	11/14/1987	4,896	4,360
	12/31/1987	11,103	9,882
	4/30/1988	3,508	0
	12/20/1990	15,631	14,945
	12/31/1991	5,324	4,984
	12/31/1992	8,943	8,061

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/30/1994	550	0
REV MTRING-TRNSIENT FALT REC#8	2/19/1993	64,116	58,951
	12/30/2002	86,636	85,252
ROADS	1/1/1967	39,412	2,294
	9/10/1967	300	208
	1/1/1968	17,194	2,105
	10/15/1968	5,299	1,226
	1/1/1970	8,934	2,066
	1/1/1977	11,759	7,975
	1/1/1978	5,867	4,214
	11/25/1983	18,049	16,727
	11/26/1983	20,340	18,851
	9/26/1986	5,508	4,950
	12/9/1986	7,735	815
	1/9/1990	9,447	8,855
	12/20/1990	6,093	5,825
	8/24/2001	54,986	17,975
SEWAGE DISPOSAL SYSTEM	1/1/1967	9,992	582
	5/15/1967	120	9
	1/1/1968	4,315	528
	6/12/1969	4,719	3,390
	1/1/1970	14,085	3,259
	1/1/1971	1,387	941
	1/1/1972	1,044	514
	9/10/1972	3,609	2,448
	1/1/1977	890	304
	6/12/1977	6,971	5,668
	10/15/1995	286	31
STATION SERVICE - TRANSFORMER	1/1/1967	4,432	441
	10/15/1968	1,500	1,077
	1/1/1974	450	235
	1/1/1975	1,500	848
	1/1/1977	36,906	0
	1/1/1978	6,001	4,306
	5/15/1978	2,986	2,175
	2/1/1979	1,335	1,001
	6/12/1981	4,112	3,813
	12/11/1982	2,402	2,197
	12/9/1986	2,856	301
	10/15/1992	1,141	99
	12/11/1992	886	803
STORM AND YARD DRAINAGE SYSTI	10/28/1993	2,307	870
	9/15/1995	31,749	3,072
STORM DRAINAGE SYSTEM	1/1/1967	3,047	2,915
	11/14/1987	3,113	1,319
	1/9/1990	21,338	20,001
	10/31/1991	3,037	605
STREET LIGHTS - 400 HPS	10/31/1991	2,877	573
	10/28/1993	2,483	936
STRUCTL SUPPS (WOOD & STEEL)	1/1/1967	115,328	7,033
	1/1/1968	166,629	20,396
	1/1/1970	167,160	39,521
	1/1/1974	40,813	20,077
	1/1/1975	82,436	46,610
	1/1/1976	86,735	55,733
	1/1/1977	153,542	41,328
	1/1/1978	491,929	349,729

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/15/1978	63,944	46,570
	2/1/1979	15,254	11,434
	8/4/1979	47,671	36,367
	11/5/1980	130,895	103,563
	11/8/1980	58,070	47,218
	1/24/1981	36,878	31,756
	8/18/1981	76,077	66,310
	12/24/1981	21,447	18,815
	4/13/1982	100,585	89,498
	4/14/1982	116,669	98,000
	7/6/1982	76,166	67,970
	10/19/1982	56,609	51,693
	11/21/1982	5,036	4,658
	9/2/1983	4,394	4,075
	11/10/1983	4,757	4,409
	12/22/1983	130,486	121,726
	12/23/1983	35,841	33,435
	9/26/1986	14,164	12,731
	12/9/1986	47,762	5,035
	6/29/1987	29,169	25,823
	11/14/1987	77,460	32,811
	8/31/1989	34,668	2,398
	11/30/1989	8,212	5,588
	1/9/1990	56,031	52,521
	3/30/1990	7,313	5,327
	12/20/1990	42,481	40,614
	6/7/1991	15,251	13,116
	10/31/1991	56,118	11,182
	7/3/1992	3,774	677
	10/25/1992	93,629	86,334
	12/11/1992	18,959	17,175
	10/28/1993	40,218	15,167
	10/30/1994	5,919	5,625
	9/15/1995	163,599	15,827
	2/24/2000	47,895	46,780
	9/16/2000	4,255	3,700
	11/30/2001	6,475	6,369
	3/31/2004	21,304	21,141
SWITCHES(LOAD BREAK & ISO SW)	12/20/1996	29,795	0
SWITCHGEAR	12/20/1996	3,090	0
TELE-PROTECTION EQUIPMENT	8/10/1999	636	478
TEST EQUIPMENT - GENERAL	10/28/2001	15,217	12,858
TRANSFORMERS-CURRENT	1/1/1966	244,742	182,213
	1/1/1967	197,245	50,456
	6/12/1967	39,211	28,644
	9/10/1967	86,272	57,141
	1/1/1968	22,496	2,754
	6/12/1968	14,821	14,527
	10/15/1968	339,653	153,208
	1/1/1969	90,320	50,433
	6/12/1969	176,632	113,613
	1/1/1970	178,861	103,061
	1/1/1971	133,770	83,999
	1/1/1972	125,951	114,418
	9/10/1972	241,529	192,232
	1/1/1974	36,231	17,864
	1/1/1975	2,573	1,455

Newfoundland and Labrador Hydro
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Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	6/12/1975	101,150	90,320
	1/1/1977	2,987	1,020
	6/12/1977	115,612	107,851
	1/1/1978	6,155	4,373
	1/1/1980	59,409	5,767
	11/5/1980	54,577	43,181
	12/11/1982	59,671	54,592
	3/28/1986	3,897	3,558
	12/9/1986	3,592	379
	1/1/1988	34,991	34,282
	9/10/1989	243,359	209,304
	10/28/1993	214,025	80,817
	6/30/1995	53,090	20,362
	9/15/1995	19,803	1,922
	9/24/1998	21,008	5,256
	12/30/1999	20,567	20,129
	7/1/2000	29,641	29,053
	12/30/2000	24,513	24,016
	12/31/2002	16,792	16,524
	10/19/2004	2,328	2,316
TRANSFORMERS-GROUNDING	1/1/1967	110,056	7,283
	1/1/1970	26,371	6,101
	6/12/1975	50,503	35,886
	1/1/1977	32,622	0
	1/1/1978	42,076	29,896
	12/9/1986	2,000	211
	1/9/1990	22,837	21,406
TRANSFORMERS-POLE TYPE-25KVA	1/1/1969	69,000	15,312
TRANSFORMERS-POLE TYPE-50KVA	3/31/2004	45,312	44,967
TRANSFORMERS - POTENTIAL	9/10/1965	7,524	7,372
	1/1/1966	62,162	46,512
	9/10/1966	8,010	7,875
	1/1/1967	61,852	7,797
	6/12/1967	154,667	28,545
	9/10/1967	22,020	15,749
	1/1/1968	21,206	2,597
	6/12/1968	14,539	13,294
	10/15/1968	192,945	63,382
	1/1/1969	46,402	34,795
	6/12/1969	108,039	81,271
	1/1/1970	141,126	99,116
	1/1/1971	131,640	96,946
	1/1/1972	82,892	69,924
	9/10/1972	179,307	147,470
	1/1/1974	1,682	835
	6/12/1975	51,938	21,858
	1/1/1977	17,752	3,060
	6/12/1977	74,976	68,786
	1/1/1978	17,485	12,560
	11/5/1980	20,454	16,184
	1/1/1981	6,272	5,401
	6/12/1981	37,578	36,859
	3/28/1983	5,793	5,380
	6/8/1983	10,783	9,972
	6/9/1983	21,567	19,945
	8/6/1983	5,790	5,329
	11/10/1983	4,960	4,598

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/17/1983	22,471	20,853
	12/31/1983	4,294	3,989
	1/1/1984	20,009	18,597
	4/13/1985	8,372	7,744
	9/26/1986	1,000	899
	12/10/1986	8,467	7,513
	12/31/1986	3,058	2,915
	3/31/1988	7,663	6,804
	2/24/1989	7,662	6,987
	3/2/1989	8,541	186
	3/9/1989	32,062	21,687
	4/4/1989	8,541	279
	9/10/1989	158,110	136,169
	9/27/1989	8,541	696
	1/29/1990	8,422	7,923
	8/23/1990	13,242	8,474
	12/20/1990	50,796	47,671
	8/27/1991	3,425	3,275
	12/31/1991	13,180	12,374
	12/11/1992	13,455	12,189
	10/28/1993	141,653	53,485
	5/17/1995	2,100	596
	12/31/1995	23,008	16,819
	12/31/1996	24,492	23,675
	12/31/1997	56,855	55,223
	9/24/1998	6,847	1,713
	12/31/1998	5,676	3,159
	12/17/1999	25,690	25,088
	12/30/1999	20,567	20,129
	12/30/2000	7,524	7,372
	1/10/2001	12,490	12,284
	11/30/2001	43,049	42,341
	12/31/2001	19,372	19,061
	10/8/2002	8,010	7,875
	12/31/2003	20,211	20,001
	3/8/2004	10,242	10,164
	5/26/2004	9,232	9,229
	12/12/2004	10,506	10,460
	12/22/2004	21,012	20,920
	12/9/2005	22,565	22,558
	12/15/2005	19,501	19,495
TRANSFORMERS - POWER	1/1/1967	387,992	25,794
	6/12/1967	1,577,691	1,092,168
	1/1/1968	314,446	38,486
	10/15/1968	59,182	51,833
	1/1/1969	187,163	136,316
	6/12/1969	892,520	378,060
	1/1/1970	2,530,874	1,504,047
	1/1/1971	2,026,085	1,835,513
	9/10/1972	181,736	160,238
	1/1/1974	1,091,084	526,925
	9/10/1974	60,000	38,555
	1/1/1975	135,279	68,823
	1/1/1976	280,826	175,386
	1/1/1977	452,734	17,305
	6/12/1977	1,667,286	1,483,125
	1/1/1978	3,613,314	2,473,003

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/15/1978	171,730	125,069
	11/16/1978	675,530	496,384
	2/1/1979	82,495	61,836
	2/24/1979	1,235	926
	8/4/1979	80,235	61,210
	11/5/1980	14,179	11,218
	1/1/1981	8,202	856
	5/29/1981	5,429	783
	6/12/1981	337,960	296,485
	4/13/1982	523	465
	7/10/1982	4,533	4,167
	9/26/1986	1,247,361	1,115,990
	12/9/1986	70,775	7,461
	11/14/1987	974	413
	8/29/1989	802,052	528,220
	8/31/1989	1,346,248	92,434
	9/24/1989	994,267	281,197
	1/9/1990	1,534,378	1,433,631
	6/27/1990	15,226	10,068
	12/31/1991	19,709	18,504
	10/4/1993	17,359	8,142
	11/30/1993	6,029	3,506
	9/30/1994	112,829	108,178
	9/24/1998	2,023,900	682,147
	12/30/1999	12,787	12,482
	12/31/2001	15,592	15,346
	8/8/2002	442,336	370,121
	4/10/2004	7,972	7,914
	5/11/2004	23,452	23,290
	5/26/2004	6,668	6,622
	8/31/2004	199,489	193,320
	11/2/2004	6,968	6,935
VOLTAGE REGULATORS	1/1/1977	18,288	0
WATER SUPPLY SYSTEM	1/1/1977	27,055	0
WATER SUPPLY SYSTEM - PUMP	1/1/1967	2,038	119
	1/1/1968	1,149	141
	1/1/1970	101	23
	1/1/1977	3,810	2,584
	7/17/1977	101	70
	1/1/1978	1,304	937
	1/1/1980	4,664	3,607
	8/18/1981	2,038	1,776
WATER SUPPLY SYSTEM - WELL	1/1/1967	8,001	466
	1/1/1968	7,241	887
	1/1/1970	5,677	1,313
	1/1/1977	923	626
	7/17/1977	363	252
	1/1/1978	2,447	1,758
	11/8/1980	9,020	7,334
	8/18/1981	9,707	8,461

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	7/10/1968	16,269	12,770
	1/15/1970	3,636	2,511
	6/12/1981	12,459	5,278
	12/19/1990	26,036	24,915
	9/10/1991	4,736	398
	10/1/1998	6,436	6,245
	2/12/1999	4,751	3,282
	11/24/2003	13,595	13,454
	12/15/2005	26,992	26,911
BATTERY CHARGERS	9/10/1967	4,736	398
	1/15/1970	8,410	8,180
	11/15/1987	5,254	2,226
	12/19/1990	11,108	10,630
	11/24/2003	10,259	10,152
BUILDINGS-CONTROL MODULE	9/10/1967	15,207	11,936
	1/15/1970	28,151	18,735
	11/9/2005	74,373	74,324
BUILDINGS-METAL	8/25/1983	102,848	0
	11/15/1987	77,070	32,645
	12/19/1990	139,151	133,158
	1/15/1996	51,919	41,956
BUILDINGS-WOODEN	9/10/1967	4,996	420
	11/23/2005	7,968	7,963
BUSWORK AND HARDWARE	1/1/1968	5,982	732
	1/1/1970	44,290	12,616
	11/1/1979	8,814	6,781
	6/19/1981	1,759	431
	6/23/1981	30,180	26,217
	12/24/1981	45,172	39,628
	12/31/1981	40,267	35,326
	1/1/1982	355	71
	5/23/1986	3,151	2,854
	2/12/1988	385	0
	11/16/1988	15,601	14,069
	11/15/1989	82,049	37,834
	12/19/1990	31,220	29,875
	10/31/1991	2,951	2,174
	9/10/1993	575	48
	10/25/1993	9,797	9,374
	11/5/1995	66,163	53,735
	11/6/1995	4,428	3,470
	9/7/1996	69,255	54,096
	12/31/2003	19,800	18,469
CABLE TRNCH/DUCT/EMBED CONDU	8/25/1983	12,841	0
	11/15/1987	11,333	4,800
	12/19/1990	13,900	13,301
CABLES - CONTROL	1/1/1970	3,397	968
	11/30/1978	264	196
	11/1/1979	301	232
	5/23/1986	1,703	1,542
	11/15/1987	16,237	6,877
	1/1/1988	1,317	0
	12/19/1990	12,711	12,163
	9/10/1993	1,962	164
	9/7/1996	21,939	17,801
	12/4/2003	14,536	14,376

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Unit of Property	Date Acquired	Original Cost	Net Book Value
CABLES - POWER 5KV & ABOVE	11/1/1979	7,034	5,411
	12/31/1981	1,120	983
	11/15/1987	3,394	1,437
CABLES - POWER CABLE	1/1/1982	483	96
	9/10/1993	627	53
	9/7/1996	7,512	6,136
	11/9/2005	53,123	53,089
CABLES - TRAYS AND CONDUIT	1/1/1978	134	97
	5/23/1986	5,626	5,096
	9/10/1993	2,352	197
CIRCUIT BREAKERS	11/16/1988	51,688	46,611
	12/19/1990	69,362	66,375
	12/4/2003	240,780	238,272
CONDUCTOR - 4/0 BARE / ACSR	9/7/1996	1,304	1,049
CTL/METER/RELAYING - OTHER	4/30/1975	4,149	2,545
	1/1/1978	4,134	2,938
	11/30/1978	4,361	3,239
	6/23/1981	3,652	3,172
	12/24/1981	5,606	4,918
	12/31/1981	14,141	12,405
	11/15/1987	24,578	10,411
	2/12/1988	37,154	0
	6/14/1988	3,294	2,943
	11/16/1988	62,421	56,289
	9/28/1990	3,396	1,500
	12/19/1990	37,945	36,311
	10/30/1997	33,326	26,158
	11/9/2005	63,748	63,706
CTL/MTR/RELAYING-SYNCH. PANEL	8/25/1983	43,133	0
CTL/MTR/RELAYNG-TEMP/FREQ PNL	1/28/1992	4,784	2,511
CTL/MTR/RELAYING-UNIT CTL PNL	12/4/2003	64,660	63,986
CTL/MTR/RELAYING-UNIT PROT PNL	11/15/1987	24,637	10,436
	9/10/1993	48,964	4,106
	11/5/1995	96,434	74,141
	9/7/1996	113,853	91,995
	12/31/1997	13,426	9,846
CTL/MTR/RELAYING-VOLT/MW PNL	12/24/1981	5,606	4,918
DIESEL ENGINES	1/15/1970	2,658	532
DISCONNECT SWITCHES	9/10/1966	37,008	30,135
	7/10/1967	4,377	0
	7/10/1968	13,281	11,384
	1/1/1970	30,089	8,422
	1/15/1970	32,523	7,226
	1/1/1971	6,192	0
	1/1/1978	821	55
	11/30/1978	2,126	1,579
	2/5/1979	4,000	411
	11/1/1979	9,697	7,460
	4/5/1980	497	0
	1/1/1981	9,658	0
	6/12/1981	10,100	4,278
	6/19/1981	9,724	1,756
	6/23/1981	54,695	47,514
	7/7/1981	497	0
	12/24/1981	15,712	13,784
	12/31/1981	11,895	10,435
	1/1/1982	440	0

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1983	1,262	295
	1/1/1984	10,168	2,713
	1/15/1984	16,794	16,440
	6/1/1985	8,376	3,862
	11/9/1985	2,530	829
	11/15/1987	11,586	4,907
	7/10/1988	25,388	22,894
	11/14/1988	17,503	7,487
	11/16/1988	5,390	4,861
	2/24/1989	9,835	4,289
	11/15/1989	49,914	23,016
	12/18/1990	7,138	3,549
	12/19/1990	26,836	25,680
	9/10/1991	6,385	537
	10/31/1991	15,501	11,422
	1/15/1992	80,692	44,194
	11/5/1995	55,372	44,970
	1/15/1996	8,376	3,862
	9/7/1996	16,786	13,573
	12/31/1997	4,402	3,228
	1/1/1998	9,000	7,318
FENCING	1/1/1968	9,963	1,219
	1/1/1970	16,667	2,342
	1/15/1970	20,202	11,024
	4/25/1975	2,938	1,802
	1/1/1978	386	274
	2/5/1979	4,183	0
	11/1/1979	3,962	3,048
	1/1/1981	14,989	0
	6/23/1981	10,309	8,955
	12/31/1981	8,075	7,084
	1/1/1982	22,363	2,560
	1/1/1983	2,445	0
	11/19/1983	9,054	8,401
	9/2/1985	5,992	1,931
	11/15/1987	10,498	4,447
	1/1/1988	7,840	0
	11/14/1988	8,726	3,733
	11/16/1988	11,355	10,239
	2/24/1989	18,391	8,020
	9/29/1989	1,155	1,084
	11/15/1989	37,558	17,318
	12/19/1990	22,262	21,303
	1/15/1991	9,300	4,650
	9/10/1993	866	73
	10/14/1994	26,152	16,345
	10/31/1994	14,685	13,474
	10/30/1997	23,970	18,809
	11/30/1998	13,199	12,272
	11/26/2000	6,545	6,410
	7/21/2005	57,485	57,371
FOUNDATIONS (CONC) FOR BLDGS	8/26/1983	15,130	0
	11/15/1987	19,712	8,349
	2/12/1988	73,470	0
	11/16/1988	3,644	3,286
	12/19/1990	68,760	65,799
	12/31/1993	108	12

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/5/1995	5,448	3,024
	9/7/1996	4,188	3,104
FOUNDATIONS (CONC) FOR EQUIP	1/1/1968	611	75
	1/1/1970	1,381	0
	11/30/1978	1,105	821
	2/5/1979	398	0
	1/1/1981	5,765	0
	6/23/1981	4,109	3,569
	12/24/1981	79,098	69,391
	12/31/1981	39,608	34,747
	1/1/1982	1,317	0
	1/1/1983	492	0
	11/19/1983	38,319	35,555
	2/24/1984	6,688	2,916
	12/13/1985	205	68
	11/15/1987	43,325	18,352
	1/1/1988	7,818	0
	11/14/1988	963	412
	2/24/1989	19,506	8,507
	11/15/1989	74,819	34,500
	12/18/1990	41,576	20,672
	9/10/1993	1,414	119
	11/5/1995	14,393	11,689
GROUNDING	1/1/1968	5,257	643
	1/1/1970	7,627	2,173
	1/1/1977	3,503	0
	11/30/1978	1,518	1,127
	11/1/1979	9,756	7,505
	1/1/1981	124	0
	6/19/1981	1,651	405
	6/23/1981	10,864	9,438
	8/25/1983	2,834	0
	5/23/1986	773	700
	1/1/1988	6,249	0
	11/14/1988	4,196	1,796
	11/16/1988	21,037	18,970
	2/24/1989	6,243	2,723
	11/15/1989	72,101	33,247
	12/19/1990	48,284	46,204
	1/15/1992	3,546	3,393
	9/10/1993	1,272	107
	10/14/1994	1,623	1,014
	10/31/1994	3,990	3,661
	11/16/1995	1,184	928
	10/30/1997	27,654	21,700
INSULATORS - PIN TYPE	1/1/1970	265	75
	1/1/1978	186	134
	11/30/1978	226	168
	11/1/1979	85	65
	1/1/1981	468	0
	11/16/1988	5,608	5,057
INSULATORS - POST TYPE	11/1/1979	5,282	4,063
	6/23/1981	2,401	2,086
	11/15/1987	347	147
	11/16/1988	3,153	2,843
	12/18/1990	5,381	2,675
	12/19/1990	8,282	7,925

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/25/1993	2,618	2,505
	9/7/1996	4,763	3,850
	10/13/2000	8,641	8,459
INSULS-SUSPENSION (50KV & UP)	1/1/1970	782	223
	4/30/1975	427	262
	1/1/1978	1,109	796
	11/30/1978	667	495
	11/1/1979	236	182
	1/1/1981	385	0
	6/23/1981	4,794	4,164
	11/15/1987	453	192
	11/16/1988	4,269	3,849
	12/19/1990	3,435	3,287
	10/25/1993	5,753	5,505
	11/16/1995	1,424	1,116
	9/7/1996	2,452	1,979
INSULS-SUSPENSION (BELOW 50KV)	6/19/1981	1,409	346
LV SWITCHING-CIRC.BKRS/RECLSRS	11/5/1995	19,761	16,166
LAND ACQUISITIONS	1/1/1978	367	367
	1/1/1981	1,468	0
	12/31/1981	6,214	6,214
	5/26/1983	100	100
	11/19/1983	5,585	5,585
	6/5/1991	3,750	3,750
	4/13/1992	3,750	3,750
	7/31/1996	3,750	3,750
	7/17/2000	3,000	3,000
LAND IMPROVEMENTS	1/1/1968	8,080	989
	1/1/1970	34,563	9,845
	4/30/1975	22,036	13,516
	11/30/1978	2,534	1,882
	11/1/1979	6,025	4,635
	1/1/1981	6,954	460
	6/23/1981	37,511	32,586
	12/31/1981	31,734	27,840
	1/1/1982	441	0
	8/25/1983	3,286	0
	11/15/1987	73,084	30,957
	11/14/1988	13,647	5,838
	11/16/1988	39,795	35,886
	2/24/1989	45,038	19,641
	11/15/1989	52,616	24,261
	11/16/1990	574	284
	12/19/1990	130,899	125,262
	10/31/1991	21,887	11,491
	9/10/1993	2,504	210
	10/14/1994	6,007	3,754
	10/15/1998	18,889	14,325
	11/30/1998	12,745	11,850
	11/26/2000	7,379	4,314
	12/15/2005	25,964	25,956
LIGHTING SYSTEM - SWITCHYARD	1/1/1970	548	156
	1/15/1970	300	223
	11/1/1979	93	72
	12/31/1981	3,448	3,025
	8/25/1983	498	0
	11/15/1987	11,318	4,794

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/12/1988	5,016	0
	11/16/1988	4,821	4,347
	11/15/1989	5,087	2,346
	12/19/1990	13,704	13,114
LIGHTNING ARRESTOR	10/15/1968	1,717	1,682
	1/1/1970	471	134
	11/1/1979	2,692	2,071
	12/24/1981	2,066	1,813
	12/31/1981	1,979	1,736
	11/16/1988	811	732
	9/7/1996	2,465	1,990
	12/14/2005	14,542	14,538
METERING TANKS	4/16/1968	1,581	1,405
	1/15/1970	3,981	2,957
	11/1/1979	350	269
	12/24/1981	5,189	4,552
	1/15/1984	6,555	1,184
	11/14/1988	11,655	4,986
	11/16/1988	13,825	12,467
	2/24/1989	11,885	5,183
	12/31/1996	14,331	13,806
METERS - DEMAND	1/1/1980	2,888	2,234
POLE CRIB FOUNDATIONS	1/1/1970	131	0
	12/31/1997	1,186	870
	12/22/1998	5,394	4,120
POLE HARDWARE	1/1/1970	14,805	0
	1/1/1971	3,057	0
	1/1/1974	1,160	0
	2/5/1979	1,414	0
	4/5/1980	1,185	0
	1/1/1981	4,934	0
	7/7/1981	940	0
	1/1/1982	47,929	8,548
	1/26/1982	13,213	2,643
	1/1/1983	8,608	1,015
	1/1/1984	57,666	15,245
	11/25/1984	1,477	435
	12/15/1984	7,822	2,325
	9/2/1985	16,973	5,469
	11/9/1985	4,492	1,472
	12/13/1985	16,639	5,500
	11/15/1987	4,641	0
	1/1/1988	24,990	0
	11/14/1988	60,142	25,727
	1/1/1989	526	228
	2/24/1989	66,766	29,118
	11/15/1989	26,199	12,081
	12/31/1989	8,202	3,828
	11/16/1990	14,820	7,327
	12/18/1990	31,413	15,619
	11/3/1991	7,060	3,726
	1/1/1994	2,359	1,415
	11/5/1995	3,967	2,203
	9/7/1996	92,410	74,808
	12/31/1997	23,888	17,518
	2/28/1998	38,382	28,253
	12/22/1998	31,004	23,683

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2003	8,774	8,165
POLE STRUCTURE WOOD TYPE 2	1/1/1970	2,888	823
POLE STRUCTURES WOOD TYPE 4	1/1/1970	6,739	1,919
POLE STRUCUTRES WOOD TYPE OT	1/1/1970	4,531	1,291
	4/30/1975	4,543	2,787
	1/1/1978	801	569
	11/30/1978	772	573
	11/1/1979	3,913	3,010
	1/1/1981	338	0
	6/19/1981	4,967	1,218
	6/23/1981	13,624	11,835
	10/15/1983	17,385	16,194
	11/16/1988	13,169	11,876
	11/15/1989	109	51
	10/25/1993	13,920	13,319
POLES - WOOD 30'	1/1/1970	169	0
	1/1/1971	338	0
	1/1/1981	1,465	0
	1/1/1982	723	60
	1/26/1982	982	196
	1/1/1984	151	0
	5/22/1986	2,015	1,825
	5/23/1986	672	608
	1/1/1988	280	0
	1/1/1993	1,273	721
POLES-WOOD 35'	1/1/1970	3,252	0
	1/1/1971	736	0
	4/5/1980	368	0
	1/1/1981	403	0
	7/7/1981	920	0
	1/1/1982	3,936	582
	1/26/1982	2,183	437
	1/1/1983	882	0
	1/1/1984	41,270	10,918
	11/15/1989	3,932	1,814
	11/5/1995	1,749	971
POLES-WOOD 40'	1/1/1970	3,155	0
	1/1/1971	1,193	0
	2/5/1979	287	0
	4/5/1980	597	0
	1/1/1981	10,799	0
	1/1/1982	2,679	0
	1/26/1982	5,067	1,014
	1/1/1983	2,852	418
	1/1/1984	1,072	286
	11/25/1984	3,022	890
	1/1/1986	1,880	627
	1/1/1988	1,835	734
	1/1/1989	3,777	1,468
	11/15/1989	9,881	4,556
	12/31/1989	2,724	1,271
	1/1/1994	4,363	2,383
	9/7/1996	1,376	1,119
	12/31/1997	2,383	1,747
POLES-WOOD 45'	1/1/1970	418	0
	9/2/1985	1,471	474
	11/14/1988	3,091	1,322

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/24/1989	4,897	2,136
	9/7/1996	550	441
POLES-WOOD 50'	9/2/1985	669	215
POLES-WOOD 55'	11/9/1985	3,398	1,114
POLES-WOOD 60'	9/29/1989	16,777	15,745
PROTECTIVE CTL & RELAY PNLS	9/7/1996	210,587	170,917
	10/28/2005	20,603	20,583
RECLOSERS	5/16/1967	6,652	0
	1/1/1970	29,882	0
	1/1/1971	15,885	0
	6/1/1971	7,595	1,638
	6/1/1975	25,966	7,789
	1/1/1978	6,653	444
	2/5/1979	7,000	721
	1/1/1980	63,382	27,642
	1/1/1981	105,134	16,297
	6/1/1981	97,791	32,915
	7/7/1981	18,768	2,292
	1/1/1982	136,489	14,703
	1/26/1982	20,950	4,191
	1/1/1984	80,433	21,448
	2/1/1984	13,742	3,703
	11/19/1984	30,511	14,069
	11/23/1984	7,977	7,373
	6/1/1985	68,065	28,004
	12/13/1985	1,917	634
	11/15/1987	36,809	0
	1/1/1988	49,056	0
	6/28/1988	24,931	10,319
	11/15/1989	33,639	15,512
	11/16/1990	27,699	13,696
	12/18/1990	104,076	51,748
	11/3/1991	31,405	16,575
	9/7/1996	10,460	8,453
	12/31/1997	32,722	23,996
	1/1/1998	124,213	53,135
	12/22/1998	65,293	49,877
	2/14/1999	9,318	5,173
	12/4/2003	2,873	2,844
RECLOSER BY-PASS SWITCHES	6/1/1970	573	264
	6/1/1975	5,329	1,247
	1/1/1981	3,265	0
	6/1/1981	28,389	8,265
	1/1/1982	7,172	909
	1/26/1982	6,283	1,257
	6/1/1985	69,531	29,111
	12/13/1985	5,735	1,896
	11/15/1987	6,841	757
	11/14/1988	13,929	5,959
	11/16/1988	7,433	6,703
	1/1/1989	6,108	2,600
	2/24/1989	27,364	11,934
	11/15/1989	554	256
	11/16/1990	8,521	4,213
	12/18/1990	27,931	13,888
	11/3/1991	15,811	8,345
	9/7/1996	3,386	2,730

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Unit of Property	Date Acquired	Original Cost	Net Book Value
REGULATORS	1/15/1988	23,042	13,379
	9/10/1993	86,698	7,290
	1/1/1994	23,056	13,833
REVENUE MTRING - MTEING TANKS	1/15/1970	3,996	377
	1/1/1980	1,010	781
	6/12/1981	4,270	1,809
	2/12/1988	4,313	0
	3/25/1988	11,216	0
REVENUE MTRING-SPEEDOMAX RE(	11/1/1978	10,209	7,582
	10/1/1986	10,425	9,638
	10/2/1986	3,414	3,157
	1/28/1992	2,392	2,284
	8/19/1994	4,699	0
REVENUE MTRING-TERM. METERS	1/1/1970	7,822	2,228
	11/1/1978	9,762	7,250
	11/30/1978	2,891	2,147
	12/24/1981	2,025	1,777
	12/31/1981	2,976	2,611
	11/15/1987	4,094	1,734
	1/28/1992	3,727	1,240
ROADS	9/10/1967	1,281	910
	1/1/1970	6,000	1,709
	11/1/1979	5,061	3,893
	6/23/1981	15,766	13,696
	11/14/1988	12,933	5,532
	11/16/1988	1,578	1,423
	2/24/1989	5,573	2,431
	11/19/1990	4,068	1,725
	12/19/1990	12,681	12,135
	9/10/1993	3,739	314
	10/25/1993	1,672	1,600
	9/2/1994	12,101	11,603
	9/7/1996	3,959	3,194
	10/30/1997	13,337	10,468
	7/19/2003	19,527	19,280
SEWAGE DISPOSAL SYSTEM	6/12/1981	2,667	1,130
	12/19/1990	27,232	26,059
STATION SERVICE - OTHER	11/15/1987	1,237	524
STATION SERVICE - PANEL	9/10/1993	2,444	206
STATION SERVICE - TRANSFORMER	1/1/1981	342	0
	8/5/1983	1,666	1,552
	11/15/1987	1,431	606
	1/1/1988	1,454	0
	11/16/1988	1,685	1,520
STORM DRAINAGE SYSTEM	11/15/1987	2,547	1,079
	11/16/1988	964	869
	12/19/1990	3,945	3,775
STREET LIGHTS - 150 HPS	11/16/1990	360	178
STREET LIGHTS - 250 MERC VAP	1/1/1983	172	0
STREET LIGHTS - 400 HPS	11/15/1989	2,388	1,101
STREET LIGHTS - 100 HPS	1/1/1988	328	0
	1/1/1989	726	314
	12/31/1997	228	167
STRUCTL SUPPS (WOOD & STEEL)	1/1/1970	1,432	0
	1/1/1971	3,879	0
	4/30/1975	6,935	4,254
	4/5/1980	1,782	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1981	4,453	285
	12/24/1981	56,669	49,714
	12/31/1981	58,269	51,118
	1/1/1982	527	0
	1/26/1982	2,518	504
	1/1/1983	2,265	0
	1/1/1984	2,513	608
	9/2/1985	5,540	1,785
	11/9/1985	2,960	971
	12/13/1985	3,243	1,072
	11/15/1987	18,629	7,891
	1/1/1988	8,708	3,483
	11/14/1988	11,089	4,744
	11/16/1988	3,364	3,034
	2/24/1989	3,587	1,565
	11/15/1989	102,208	47,130
	12/31/1989	2,951	1,377
	12/18/1990	163,012	81,053
	12/19/1990	38,358	36,706
	10/25/1993	6,068	5,806
	1/1/1994	4,456	2,673
	11/5/1995	3,353	1,861
	9/7/1996	30,097	23,872
	12/12/1996	5,848	4,077
	12/31/1997	4,702	3,449
	11/26/2000	3,351	1,959
	12/31/2003	6,234	5,801
TRANSFORMERS-CURRENT	1/1/1975	2,466	1,394
	11/10/1984	3,496	1,030
	11/15/1987	1,259	533
	2/24/1989	37,702	16,442
TRANSFORMERS-GROUNDING	1/1/1977	10,874	0
TRANSFORMERS-OTHER	9/10/1966	52,998	6,487
	1/1/1970	13,577	3,867
	1/15/1970	213,686	195,698
	12/24/1981	119,292	104,652
	12/31/1981	1,894	1,662
	12/31/2002	78,595	70,736
TRANSFORMERS-PAD TYPE-1000KV/	10/15/1968	7,572	0
	6/23/1981	10,332	4,192
	1/1/1982	37,993	7,598
TRANSFORMERS-PAD TYPE-1250KV/	1/1/1970	6,266	0
TRANSFORMERS-PAD TYPE-1500KV/	10/15/1968	21,000	2,159
	1/1/1981	4,898	0
TRANSFORMERS-PAD TYPE-2000KV/	1/1/1982	25,103	0
TRANSFORMERS-PAD TYPE-2500KV/	1/1/1983	60,540	14,126
TRANSFORMERS-PAD TYPE-250KVA	1/1/1989	22,139	9,593
	12/31/2003	20,070	18,676
TRANSFORMERS-PAD TYPE-333KVA	1/1/1970	3,366	0
	1/1/1994	14,747	8,848
TRANSFORMERS-PAD TYPE-500KVA	1/1/1970	6,156	0
	1/1/1982	9,620	1,924
	12/13/1985	27,018	8,931
	5/28/1989	10,321	4,587
	12/31/1989	15,289	7,135
	12/31/1996	44,345	31,042
TRANSFORMERS-PAD TYPE-750KVA	10/15/1968	36,438	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-POLE TYPE-100KV	1/1/1982	7,589	1,518
	1/1/1983	2,599	386
	1/1/1989	2,562	1,110
TRANSFORMERS-POLE TYPE-10KVA	1/1/1970	1,298	0
	1/1/1981	342	0
	6/23/1981	757	658
	12/24/1981	1,981	1,738
	1/1/1982	429	0
	11/14/1988	3,644	1,559
	2/24/1989	1,146	500
	12/31/1997	1,105	810
TRANSFORMERS-POLE TYPE-150KV	1/1/1970	3,148	0
TRANSFORMERS-POLE TYPE-15KVA	6/1/1970	575	265
	1/1/1981	714	0
	1/1/1982	1,875	0
TRANSFORMERS-POLE TYPE-167KV	1/1/1970	862	0
	11/25/1984	8,338	2,455
	1/1/1988	12,124	4,849
TRANSFORMERS-POLE TYPE-25KVA	1/1/1970	2,370	0
	1/15/1970	636	0
	1/1/1982	1,107	0
	11/15/1989	1,397	644
	12/31/1989	1,300	607
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1970	1,332	0
	1/1/1982	463	0
TRANSFORMERS-POLE TYPE-50KVA	1/1/1970	1,972	0
	1/1/1986	1,690	564
	12/18/1990	1,978	984
TRANSFORMERS-POLE TYPE-5KV	1/1/1970	817	0
	1/1/1971	312	0
	2/5/1979	323	0
	1/1/1981	237	0
	1/1/1982	210	0
	1/1/1983	796	0
TRANSFORMERS - POLE TYPE-75KV	1/1/1970	1,883	0
TRANSFORMERS - POTENTIAL	1/1/1984	4,101	1,094
	11/10/1984	4,037	1,189
	11/15/1987	1,358	575
	12/18/1990	14,205	7,063
	12/20/1990	6,358	4,356
	11/9/2005	2,672	2,670
TRANSFORMERS - POWER	7/10/1967	39,195	0
	7/10/1968	70,515	50,105
	10/15/1968	14,642	4,679
	1/1/1970	23,545	6,707
	1/15/1970	105,257	41,334
	6/1/1975	15,083	6,955
	1/1/1978	2,321	1,667
	6/12/1981	393,702	166,758
	12/31/1981	155,960	136,820
	1/1/1982	36,598	965
	1/1/1988	157,315	48,650
	1/15/1988	210,107	96,883
	7/10/1988	313,570	282,769
	11/14/1988	150,338	64,312
	2/24/1989	287,531	125,395
	11/15/1989	355,253	163,812

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/19/1990	598,829	573,040
	9/10/1991	276,629	23,261
	1/15/1992	44,530	42,610
	11/5/1995	1,070,373	867,245
	11/26/2000	43,187	42,295
VOLT REGULATOR BYPASS SWS	1/1/1968	1,717	1,030
	6/1/1975	7,444	2,724
	1/1/1981	4,044	675
	6/1/1981	10,718	2,406
	1/1/1984	4,211	1,123
	12/15/1984	2,898	862
	11/15/1987	3,284	0
	7/10/1988	2,100	899
	11/14/1988	2,675	1,144
	11/16/1988	50,801	22,601
	2/24/1989	2,845	1,241
	2/9/1990	5,806	2,725
	12/18/1990	4,416	2,195
VOLTAGE REGULATORS	1/1/1970	15,454	0
	6/1/1970	13,547	1,919
	6/1/1971	41,862	5,298
	6/1/1975	13,385	-3,798
	1/1/1980	187,072	72,461
	4/5/1980	13,547	1,669
	1/1/1981	34,200	5,697
	6/1/1981	66,959	32,025
	1/1/1982	38,071	5,133
	1/26/1982	11,759	2,353
	1/1/1984	18,237	4,863
	12/15/1984	38,114	11,329
	6/1/1985	143,790	83,329
	11/9/1985	16,485	5,404
	11/15/1987	69,128	13,444
	12/18/1990	103,611	51,516
	1/1/1992	32,971	10,808
	9/10/1993	43,349	3,645
	12/15/1995	61,760	39,972
	1/1/1997	66,073	46,252
	12/31/2002	22,659	20,331
	9/16/2003	70,508	65,024
	9/18/2003	70,534	65,048
WATER SUPPLY SYSTEM - PUMP	11/15/1987	12,229	5,180
WATER SUPPLY SYSTEM - WELL	12/19/1990	25,925	24,808

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribtion Submarine Cables**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CABLE - SUBMARINE	1/1/1980	169,116	22,549
	1/1/1982	123,401	24,680
	1/1/1988	1,550,391	620,157
	1/1/1989	2,453,452	1,063,163
	1/1/1990	2,979,349	1,390,363
	12/30/1999	922,348	735,317

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CAPACITORS	6/1/1970	2,824	660
CONDUCTOR - PRIMARY	7/16/1980	619,000	92,850
	1/1/1981	1,439,009	54,110
	1/1/1982	97,946	19,588
	1/1/1983	331,547	77,361
	1/1/1984	251,508	64,912
	12/31/1984	66,388	19,916
	1/1/1985	185,251	53,334
	1/1/1986	309,761	17,658
	1/1/1987	60,663	21,826
	1/1/1988	330,739	76,894
	1/1/1989	553,009	238,827
	1/1/1990	349,862	159,402
	1/1/1991	420,241	205,189
	1/1/1992	33,999	16,111
	1/1/1993	105,523	51,407
	1/1/1994	291,382	174,140
	1/1/1995	136,078	86,179
	1/1/1996	23,229	12,618
	1/1/1997	560,888	347,411
	12/31/1997	131,561	89,686
	12/31/1998	188,507	141,810
	12/30/1999	145,669	113,715
	12/30/2000	111,511	89,130
	12/31/2001	207,935	157,596
	12/31/2002	267,081	237,672
	12/31/2003	320,584	218,399
	12/31/2004	54,707	52,731
	11/29/2005	5,775	5,743
	12/31/2005	123,545	25,065
DISCONNECT SWITCHES	10/15/1968	27,512	18,730
	6/1/1970	41,898	21,503
	1/1/1980	17,037	10,703
	1/1/1982	4,171	834
	1/1/1984	6,323	1,687
	12/31/1984	2,294	689
	1/1/1985	1,744	524
	1/1/1986	2,079	693
	1/1/1987	1,478	542
	1/1/1988	8,808	3,524
	1/1/1990	1,277	596
	1/1/1991	3,853	1,927
	1/1/1992	2,785	1,485
	1/1/1995	1,779	1,127
	1/1/1997	23,126	13,601
	12/31/1997	4,819	3,534
	1/1/1998	1,560	1,353
	12/30/2000	3,755	3,118
	12/31/2001	4,938	4,280
	12/31/2003	9,705	9,031
	12/31/2004	4,097	3,949
	12/31/2005	2,925	2,917
FOUNDATIONS (CONC) FOR EQUIP	1/1/1983	1,924	449
INSULS-SUSPENSION (BELOW 50KV)	12/31/1998	41,950	32,162
MISC UNITS OF PROP	12/31/2005	10,016	9,849
POLE HARDWARE	1/1/1994	11,298	6,779

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1997	3,208	2,170
RECLOSERS	1/1/1968	2,943	0
	10/15/1968	44,571	29,937
	1/1/1970	15,329	0
	6/1/1970	14,145	7,206
	6/1/1975	48,315	10,684
	2/5/1979	7,000	721
	4/5/1980	6,256	885
	1/1/1981	13,160	0
	1/1/1982	21,929	1,077
	1/1/1983	26,171	6,106
	1/1/1985	3,273	983
	8/2/1985	22,103	7,060
	1/1/1986	10,487	3,496
	1/1/1987	3,161	1,159
	1/1/1988	8,079	3,231
	1/1/1989	6,684	2,896
	1/1/1990	3,838	1,791
	1/1/1994	12,524	7,514
	1/1/1995	50,126	31,746
	1/1/1996	32,967	21,978
	4/1/1996	28,346	8,504
	1/1/1997	36,666	25,666
	12/31/1997	73,267	53,729
	1/1/1998	59,662	36,456
	2/28/1998	62,116	45,724
	12/31/1998	4,428	3,395
	12/30/1999	17,358	13,840
	12/30/2000	39,653	32,934
	1/1/2001	35,868	31,086
	12/31/2003	19,724	18,354
	11/21/2004	1,807	1,737
	12/31/2004	5,602	5,400
RECLOSER BY-PASS SWITCHES	1/1/1982	3,470	694
	1/1/1983	7,641	1,783
	12/30/1999	11,195	8,924
REGULATORS	6/1/1971	172,302	115,964
	6/1/1975	14,157	13,174
	1/1/1980	152,898	121,368
	6/1/1985	29,936	27,857
	1/1/1994	24,331	14,598
	12/30/1999	17,044	13,588
	12/30/2000	18,916	15,711
	12/31/2002	28,103	25,215
	12/31/2004	99,449	95,858
SECTIONALIZERS	10/15/1968	50,223	25,758
	6/1/1975	21,136	6,055
	1/1/1986	1,941	647
	1/1/1989	1,727	748
	1/1/1991	46,552	23,276
	5/1/1996	22,004	16,136
	12/30/1999	2,387	1,903
	12/30/2000	4,106	3,410
STRUCTL SUPPS (WOOD & STEEL)	1/1/1981	3,071	46
	1/1/1982	2,098	419
	12/31/1984	2,417	725
	1/1/1986	13,797	4,599

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1987	18,392	6,744
	1/1/1988	3,576	1,431
	1/1/1989	8,389	1,867
	1/1/1990	4,543	2,120
	1/1/1991	3,923	1,961
	1/1/1992	1,649	879
	1/1/1993	3,985	2,258
	1/1/1995	9,294	5,886
	1/1/1996	4,927	3,284
	1/1/1997	37,173	20,905
	12/31/1997	9,066	6,648
	12/31/1998	13,729	10,526
	12/30/1999	19,402	15,522
	12/30/2000	68,829	57,166
	12/31/2001	20,658	17,904
	12/31/2003	48,753	45,372
	12/31/2004	14,790	12,681
	12/31/2005	2,620	2,613
VOLT REGULATOR BYPASS SWS	10/15/1968	5,079	1,692
	6/1/1975	4,674	2,338
	1/1/1980	23,595	12,338
	1/1/1984	2,379	634
	1/1/1987	688	252
	1/1/1990	2,604	1,215
	1/1/1993	4,520	2,561
	12/31/2003	3,571	3,332
VOLTAGE REGULATORS	10/15/1968	12,070	6,839
	1/1/1970	7,727	0
	6/1/1970	32,893	20,805
	6/1/1971	138,042	65,992
	6/1/1975	291,109	118,263
	1/1/1980	647,110	321,535
	1/1/1981	71,438	5,269
	6/1/1981	17,397	6,378
	1/1/1985	48,903	14,671
	6/1/1985	53,092	46,013
	1/1/1987	31,881	11,689
	1/1/1990	4,499	2,099
	1/1/1993	49,993	28,329
	1/1/1997	52,537	36,776
	12/30/1999	49,505	46,067
	12/31/2005	36,570	36,468

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
.	6/1/1969	2,489	2,489
	6/25/2004	1,314	1,314
	1/8/2005	1,313	1,313
	11/16/2005	3,199	3,199
TRANSFORMERS-CURRENT	12/30/2000	4,644	3,857
TRANSFORMERS-OTHER	12/30/2001	2,862	2,473
	8/16/2005	2,523	2,516
	9/1/2005	1,358	1,354
TRANSFORMERS-PAD TYPE-250KVA	12/31/2002	26,328	23,695
TRANSFORMERS-PAD TYPE-333KVA	1/1/1970	7,311	0
	1/1/1993	33,004	18,703
	1/1/1997	72,270	25,456
	12/31/1998	18,288	14,021
	12/30/1999	25,261	20,208
	12/30/2000	23,980	19,917
	12/31/2003	10,636	9,897
	12/31/2004	49,824	48,025
TRANSFORMERS-PAD TYPE-500KVA	1/1/1989	16,220	7,029
	1/1/1995	10,265	6,501
	12/30/1999	20,427	16,342
	12/30/2000	17,991	14,943
	12/31/2003	77,640	72,248
	12/31/2004	16,409	15,816
	3/30/2005	13,094	12,730
	11/23/2005	22,956	22,829
TRANSFORMERS-PAD TYPE-750KVA	12/31/2001	26,489	22,957
TRANSFORMERS-POLE TYPE-100KV	1/1/1981	55,781	0
	1/1/1983	1,176	274
	1/1/1984	5,162	1,377
	1/1/1986	18,946	6,316
	1/1/1987	542	199
	1/1/1990	13,661	6,375
	1/1/1992	6,281	0
	1/1/1993	19,039	10,788
	1/1/1994	20,177	12,107
	1/1/1995	11,663	1,390
	1/1/1996	5,439	3,626
	1/1/1997	32,715	22,901
	12/31/1998	40,393	31,185
	12/30/1999	20,930	16,743
	12/30/2000	15,909	13,212
	12/31/2001	18,364	15,915
	12/31/2002	30,143	27,129
	12/31/2003	13,298	12,375
	12/31/2004	2,970	2,862
	1/21/2005	2,860	2,852
	8/29/2005	2,863	2,823
	9/1/2005	9,227	9,124
	10/19/2005	4,943	4,902
	10/21/2005	4,943	4,902
	11/3/2005	2,974	2,966
	11/16/2005	4,943	4,916
	12/31/2005	7,589	7,568
TRANSFORMERS-POLE TYPE-10KVA	1/1/1981	19,219	0
	1/1/1982	2,832	566
	1/1/1983	2,284	533

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1984	10,423	2,779
	1/1/1986	3,785	1,262
	1/1/1987	705	258
	1/1/1988	705	0
	1/1/1989	4,200	1,442
	1/1/1990	6,066	2,615
	1/1/1991	17,798	8,479
	1/1/1992	1,502	801
	1/1/1993	6,045	3,425
	1/1/1994	17,268	9,442
	1/1/1995	12,199	7,726
	1/1/1996	29,882	16,790
	1/1/1997	36,357	25,450
	12/31/1997	20,008	14,673
	12/31/1998	12,597	9,102
	12/30/1999	22,500	17,999
	12/30/2000	24,220	20,115
	12/31/2001	27,841	24,130
	12/31/2002	62,074	55,768
	12/31/2003	75,981	70,704
	11/18/2004	1,612	1,549
	12/31/2004	38,984	37,577
	1/1/2005	894	892
	1/14/2005	894	865
	1/26/2005	924	922
	2/1/2005	924	896
	2/24/2005	923	920
	2/25/2005	894	867
	6/6/2005	895	893
	7/20/2005	896	881
	7/21/2005	3,940	3,929
	7/28/2005	912	897
	8/5/2005	904	891
	8/8/2005	4,225	4,193
	8/9/2005	928	915
	8/12/2005	3,624	3,574
	8/15/2005	2,721	2,683
	8/18/2005	913	901
	8/23/2005	8,366	8,250
	8/24/2005	913	901
	8/25/2005	913	901
	8/26/2005	904	891
	9/1/2005	6,387	6,369
	9/15/2005	904	894
	9/16/2005	895	893
	9/22/2005	5,135	5,077
	9/23/2005	2,567	2,539
	9/29/2005	1,402	1,387
	10/2/2005	904	896
	10/7/2005	913	906
	10/10/2005	2,567	2,546
	10/17/2005	3,572	3,547
	10/28/2005	5,135	5,092
	12/5/2005	2,896	2,888
	12/22/2005	941	938
	12/31/2005	23,250	23,185
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	11,607	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1982	7,101	1,421
	1/1/1983	2,934	687
	1/1/1984	2,210	0
	12/31/1984	5,152	1,546
	1/1/1985	1,302	391
	1/1/1986	890	297
	1/1/1987	937	344
	1/1/1988	10,689	3,015
	1/1/1990	3,632	1,695
	1/1/1991	1,756	768
	1/1/1993	1,095	621
	1/1/1994	1,096	658
	1/1/1997	1,106	774
	12/30/1999	4,662	3,727
	12/30/2000	1,552	1,288
	9/19/2005	3,140	3,105
	10/5/2005	3,140	3,114
	10/6/2005	3,140	3,114
	10/18/2005	3,140	3,114
TRANSFORMERS-POLE TYPE-167KV	1/1/1990	23,980	11,191
	1/1/1994	8,331	4,999
	1/1/1996	19,966	13,311
	1/1/1997	28,128	19,689
	12/31/1997	8,055	5,906
	12/31/1998	52,772	32,350
	12/30/1999	35,343	28,271
	12/30/2000	21,261	17,658
	12/31/2001	26,197	22,704
	12/31/2002	29,211	26,290
	12/31/2003	2,144	1,995
	12/31/2004	8,375	8,073
	6/3/2005	14,024	13,751
	8/19/2005	4,473	4,411
	9/1/2005	11,511	11,479
	12/31/2005	11,550	11,518
TRANSFORMERS-POLE TYPE-25KVA	1/1/1981	149,130	2,095
	1/1/1982	88,705	17,741
	1/1/1983	28,959	6,758
	1/1/1984	21,972	5,276
	12/31/1984	8,224	2,466
	1/1/1985	883	0
	6/1/1985	1,325	1,321
	1/1/1986	30,027	10,007
	1/1/1987	52,905	18,922
	1/1/1988	22,633	8,568
	1/1/1989	19,466	8,435
	1/1/1990	49,043	19,355
	1/1/1991	51,427	24,128
	1/1/1992	2,676	1,428
	1/1/1993	8,328	4,718
	1/1/1994	81,521	48,912
	1/1/1995	67,251	42,593
	1/1/1996	123,726	80,199
	1/1/1997	223,697	153,401
	12/31/1997	97,033	61,802
	12/31/1998	111,420	83,451
	12/30/1999	127,761	102,203

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/30/2000	200,748	166,732
	12/31/2001	115,973	98,465
	12/31/2002	256,045	230,440
	12/31/2003	270,470	247,856
	2/1/2004	1,360	1,357
	10/30/2004	1,344	1,295
	11/5/2004	2,002	1,924
	11/23/2004	4,004	3,849
	12/23/2004	1,354	1,305
	12/30/2004	2,986	2,977
	12/31/2004	202,450	195,135
	1/3/2005	2,667	2,660
	1/5/2005	1,612	1,608
	1/10/2005	1,358	1,354
	1/12/2005	1,402	1,398
	1/13/2005	1,861	1,799
	1/20/2005	3,980	3,928
	2/3/2005	1,507	1,502
	2/15/2005	3,943	3,932
	2/16/2005	1,314	1,311
	2/17/2005	1,314	1,311
	2/24/2005	4,059	4,048
	2/28/2005	1,313	1,272
	3/1/2005	1,402	1,398
	3/15/2005	1,313	1,276
	3/18/2005	1,314	1,278
	3/27/2005	1,315	1,312
	4/19/2005	2,713	2,706
	4/21/2005	1,313	1,280
	4/25/2005	1,315	1,282
	5/14/2005	1,273	1,245
	5/15/2005	1,315	1,286
	5/18/2005	4,850	4,742
	6/24/2005	1,328	1,324
	6/30/2005	3,827	3,752
	7/7/2005	1,322	1,300
	7/13/2005	1,363	1,359
	7/21/2005	1,479	1,474
	7/27/2005	1,428	1,424
	7/30/2005	1,405	1,381
	8/1/2005	1,339	1,320
	8/3/2005	1,315	1,311
	8/5/2005	4,017	3,961
	8/8/2005	5,031	4,992
	8/9/2005	8,244	8,191
	8/10/2005	1,339	1,320
	8/12/2005	1,339	1,320
	8/19/2005	4,017	3,961
	8/25/2005	2,951	2,928
	8/26/2005	2,678	2,641
	9/1/2005	20,714	20,656
	9/2/2005	1,339	1,324
	9/6/2005	1,339	1,324
	9/7/2005	2,678	2,648
	9/8/2005	1,339	1,324
	9/9/2005	3,199	3,163
	9/13/2005	2,741	2,722

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/14/2005	2,678	2,648
	9/15/2005	2,760	2,729
	9/20/2005	7,216	7,135
	9/28/2005	1,419	1,403
	10/3/2005	1,339	1,328
	10/6/2005	4,538	4,500
	10/13/2005	2,821	2,814
	10/14/2005	3,199	3,172
	10/17/2005	3,013	2,996
	10/18/2005	3,199	3,172
	10/21/2005	4,345	4,325
	10/26/2005	1,315	1,304
	10/27/2005	1,507	1,494
	10/28/2005	3,199	3,172
	10/31/2005	4,520	4,507
	11/1/2005	3,199	3,181
	11/2/2005	4,146	4,130
	11/3/2005	1,355	1,351
	11/7/2005	12,366	12,278
	11/8/2005	3,041	3,033
	11/9/2005	1,435	1,427
	11/10/2005	4,618	4,592
	11/16/2005	1,520	1,512
	11/28/2005	1,449	1,441
	11/30/2005	2,967	2,950
	12/15/2005	1,446	1,442
	12/16/2005	1,402	1,398
	12/31/2005	69,385	69,193
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1981	32,419	0
	1/1/1982	4,676	935
	1/1/1983	6,584	1,536
	1/1/1984	8,756	2,335
	1/1/1986	2,248	750
	1/1/1987	3,442	1,262
	1/1/1991	1,501	750
	1/1/1992	430	229
	1/1/1993	727	412
	1/1/1995	389	246
	1/1/1996	3,761	2,507
	1/1/1997	395	276
	12/31/1998	3,055	2,342
	12/30/1999	1,184	947
	12/30/2000	2,000	1,661
	10/18/2005	6,697	6,641
	10/19/2005	3,996	3,963
TRANSFORMERS-POLE TYPE-50KVA	1/1/1981	133,148	-1
	1/1/1982	32,354	6,470
	1/1/1983	34,095	7,955
	1/1/1984	45,280	12,075
	1/1/1985	6,391	1,400
	6/1/1985	1,334	1,330
	1/1/1986	65,578	21,135
	1/1/1987	19,210	7,043
	1/1/1988	20,201	8,082
	1/1/1989	11,241	4,871
	1/1/1990	53,607	24,751
	1/1/1991	30,973	15,487

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1992	77,025	41,080
	1/1/1993	90,607	51,344
	1/1/1994	124,490	73,548
	1/1/1995	117,615	68,033
	1/1/1996	76,183	50,789
	1/1/1997	208,533	143,904
	12/31/1997	109,816	74,751
	12/31/1998	172,458	132,007
	12/30/1999	140,099	112,063
	12/30/2000	156,715	130,160
	12/31/2001	144,713	125,417
	12/31/2002	238,167	214,350
	12/31/2003	281,272	261,739
	4/30/2004	3,748	3,738
	7/27/2004	1,906	1,901
	11/23/2004	1,845	1,773
	11/24/2004	3,713	3,703
	11/25/2004	3,688	3,678
	12/30/2004	1,850	1,783
	12/31/2004	229,287	221,007
	1/3/2005	3,666	3,600
	1/5/2005	2,514	2,507
	1/12/2005	1,842	1,836
	1/21/2005	1,844	1,782
	1/22/2005	3,733	3,608
	1/24/2005	1,843	1,838
	1/31/2005	1,845	1,784
	2/8/2005	1,848	1,843
	2/9/2005	3,690	0
	2/10/2005	5,186	5,171
	2/28/2005	1,845	1,788
	3/4/2005	1,892	1,840
	4/10/2005	1,847	1,842
	4/12/2005	1,847	1,801
	4/14/2005	1,843	1,838
	4/20/2005	1,313	1,280
	4/23/2005	1,832	1,827
	4/25/2005	1,831	1,826
	4/26/2005	1,831	1,785
	4/27/2005	1,846	1,799
	5/18/2005	1,840	1,799
	5/20/2005	1,847	1,806
	6/29/2005	3,696	3,624
	7/3/2005	1,929	1,897
	7/8/2005	1,848	1,817
	7/15/2005	1,848	1,817
	7/19/2005	1,836	1,805
	7/28/2005	1,918	1,913
	8/1/2005	9,185	9,138
	8/3/2005	3,244	3,213
	8/9/2005	5,145	5,074
	8/11/2005	1,855	1,829
	8/12/2005	1,339	1,320
	8/19/2005	5,564	5,486
	8/23/2005	1,953	1,926
	8/26/2005	5,753	5,673
	8/29/2005	1,855	1,829

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/1/2005	23,066	21,146
	9/2/2005	3,808	3,765
	9/7/2005	3,597	3,557
	9/9/2005	3,920	3,876
	9/13/2005	1,847	1,826
	9/15/2005	3,920	3,876
	9/16/2005	1,953	1,931
	9/20/2005	3,920	3,876
	9/27/2005	2,011	2,005
	9/28/2005	2,009	1,987
	10/5/2005	1,315	1,311
	10/6/2005	1,843	1,828
	10/13/2005	1,848	1,833
	10/26/2005	1,842	1,827
	10/28/2005	1,848	1,843
	11/2/2005	1,835	1,830
	11/7/2005	5,755	5,728
	11/17/2005	1,507	1,498
	11/22/2005	2,028	2,017
	11/24/2005	3,785	3,764
	11/25/2005	5,948	5,915
	11/29/2005	1,888	1,882
	12/5/2005	4,045	4,034
	12/8/2005	1,843	1,838
	12/15/2005	3,694	3,684
	12/31/2005	77,746	77,530
TRANSFORMERS-POLE TYPE-5KV	1/1/1981	810	0
	1/1/1983	528	123
	1/1/1986	622	207
	1/1/1987	1,813	665
	1/1/1991	4,438	1,140
TRANSFORMERS - POLE TYPE-75KV	1/1/1981	35,339	0
	1/1/1982	19,661	3,932
	1/1/1983	3,117	727
	1/1/1984	4,672	517
	1/1/1985	716	215
	1/1/1986	12,198	3,554
	1/1/1987	21,579	7,913
	1/1/1988	1,733	693
	1/1/1989	7,093	1,645
	1/1/1990	19,080	8,904
	1/1/1991	45,395	22,697
	1/1/1992	34,879	17,298
	1/1/1993	76,363	42,990
	1/1/1994	27,432	16,459
	1/1/1995	35,133	22,251
	1/1/1996	22,022	14,680
	1/1/1997	67,989	47,592
	12/31/1997	17,226	12,633
	12/31/1998	57,949	44,398
	12/30/1999	64,234	51,388
	12/30/2000	67,976	56,457
	12/31/2001	71,032	61,561
	12/31/2002	94,275	84,847
	12/31/2003	66,437	61,823
	5/30/2004	2,352	2,346
	9/5/2004	2,489	2,482

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/28/2004	2,352	2,346
	12/31/2004	91,269	87,973
	1/12/2005	2,448	2,441
	2/22/2005	4,909	4,827
	4/27/2005	2,460	2,398
	5/26/2005	2,509	2,453
	6/8/2005	2,456	2,409
	6/13/2005	2,456	2,409
	6/29/2005	2,456	2,409
	7/21/2005	2,446	2,440
	8/11/2005	2,456	2,422
	8/16/2005	5,046	5,032
	8/19/2005	2,678	2,641
	9/1/2005	4,961	4,947
	9/5/2005	2,443	2,416
	9/8/2005	7,428	7,346
	9/15/2005	3,920	3,876
	9/16/2005	4,616	4,565
	9/21/2005	4,616	4,565
	11/16/2005	4,616	4,590
	11/17/2005	3,920	3,898
	12/5/2005	2,569	2,562
	12/16/2005	2,569	2,562
	12/20/2005	2,569	2,562
	12/31/2005	49,019	48,883
TRANSFORMERS - POTENTIAL	12/30/2000	5,686	4,723
TRANSFORMERS - POWER	12/30/1999	43,093	34,474
	11/30/2000	52,901	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	526,101	3,585
	1/1/1982	93,264	18,651
	1/1/1983	72,227	16,851
	1/1/1984	186,246	46,508
	12/31/1984	8,562	2,570
	1/1/1985	62,334	18,509
	1/1/1986	103,730	31,994
	1/1/1987	61,479	22,541
	1/1/1988	54,929	19,156
	1/1/1989	91,190	39,514
	1/1/1990	109,080	50,429
	1/1/1991	53,659	26,709
	1/1/1992	15,901	8,481
	1/1/1993	91,030	49,401
	1/1/1994	51,145	30,390
	1/1/1995	62,037	38,608
	1/1/1996	23,607	15,312
	1/1/1997	79,158	49,666
	12/31/1997	33,567	22,316
	12/31/1998	76,912	58,559
	12/30/1999	57,184	45,315
	12/30/2000	48,608	39,623
	12/31/2001	44,859	36,853
	12/31/2002	30,530	25,987
	12/31/2003	17,706	16,477
	12/31/2004	33,875	32,652
	11/29/2005	714	710
	12/31/2005	17,314	17,266

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CTL/METER/RELAYING - OTHER	1/30/1987	7,269	2,665
METER TEST SWITCHES	1/1/1981	9,278	127
	1/1/1982	1,993	398
	1/1/1983	2,434	568
	1/1/1984	898	239
	1/1/1987	11,857	4,347
	1/1/1991	12,722	6,361
	1/1/1994	11,343	6,806
	1/1/1997	3,123	2,186
	12/31/1997	2,567	1,883
METERING TANKS	11/30/1978	3,996	377
	12/31/1978	1,438	143
	1/1/1979	7,811	781
	1/1/1981	61,515	1,919
	12/30/1981	4,088	807
	1/1/1984	11,116	2,964
	1/1/1992	17,502	9,334
	1/1/1993	36,143	20,481
	1/1/1994	21,417	12,850
	12/31/1997	1,246	914
METERS - DEMAND	1/1/1981	138,968	3,130
	1/1/1983	11,142	2,600
	1/1/1984	19,340	5,157
	12/31/1984	24,075	7,223
	1/1/1987	59,436	21,793
	12/31/1987	8,949	3,579
	1/1/1988	47,059	18,824
	1/1/1989	40,431	17,520
	1/1/1991	99,249	49,624
	1/1/1992	24,616	13,129
	1/1/1994	64,624	38,774
	1/1/1995	10,165	6,438
	1/1/1996	22,195	14,797
	12/31/1997	82,375	60,408
	12/31/1998	51,735	39,690
	12/30/1999	62,128	49,702
	12/30/2000	4,140	3,439
	9/30/2001	21,600	18,660
	12/31/2001	103,760	89,925
	12/31/2002	170,580	153,522
	12/31/2003	45,442	42,286
METERS - DOMESTIC	1/1/1984	17,021	4,539
	1/1/1987	77,571	28,443
	1/1/1988	58,679	23,471
	1/1/1989	89,037	38,582
	1/1/1991	275,103	137,552
	1/1/1992	41,299	22,026
	1/1/1994	434	260
	1/1/1995	8,883	5,626
	1/1/1996	29,723	19,816
	12/31/1997	27,965	20,508
	12/31/1998	85,260	65,367
	12/30/1999	27,581	22,065
	12/30/2000	18,795	15,610
	12/31/2001	24,080	20,869
	12/31/2002	23,214	20,893

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2003	19,354	18,010
	12/31/2005	1,788	1,783
METERS - OTHER	1/1/1995	28,158	17,834
	1/1/1996	20,309	13,539
	1/1/1997	27,570	19,301
	12/30/2000	1,765	1,466
	7/31/2003	7,830	7,178
	12/31/2003	5,292	4,925
MISC UNITS OF PROP	1/1/1981	577	96
	12/31/1984	1,690	507
	1/1/1987	2,234	819
	3/9/1988	11,760	4,769
	1/1/1991	3,380	1,689
	1/1/1992	4,793	2,557
	1/1/1993	8,813	4,994
	1/1/1994	13,132	7,879
	12/31/1998	833	639
REVENUE MTRING-TERM. METERS	1/1/1989	5,891	2,552
TOOL'S & EQUIPMENT - GENERAL	12/31/1997	12,000	8,800
TRANSFORMERS-CURRENT	1/1/1981	69,727	1,478
	1/1/1982	8,436	1,688
	1/1/1984	4,641	1,238
	12/31/1984	15,375	4,613
	1/1/1987	21,378	7,838
	1/1/1988	4,703	1,881
	1/1/1989	25,518	11,058
	1/1/1991	28,232	14,116
	1/1/1992	8,373	4,465
	12/31/1992	5,355	4,819
	1/1/1994	16,818	10,091
	1/1/1995	8,990	6,990
	1/1/1996	9,851	6,567
	1/1/1997	6,500	4,549
	12/31/1997	4,118	3,021
	12/31/1998	3,074	2,356
	11/30/1999	4,805	3,843
	12/30/1999	4,615	3,691
	12/30/2000	10,919	9,068
	12/31/2002	2,861	2,575
TRANSFORMERS - POTENTIAL	1/1/1981	9,821	193
	1/1/1982	1,225	245
	1/1/1984	428	114
	12/31/1984	1,636	491
	1/1/1987	6,413	2,352
	1/1/1988	5,634	2,253
	1/1/1989	5,356	2,321
	1/1/1992	3,438	1,834
	1/1/1994	2,031	1,219
	1/1/1995	4,610	2,919
	1/1/1996	2,104	1,403
	1/1/1997	2,605	1,823
	12/31/1997	4,025	2,952
	12/31/1998	2,729	2,092

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	1,525,976	7,545
	1/1/1982	126,261	25,248
	1/1/1983	45,721	10,480
	1/1/1984	110,631	23,262
	12/31/1984	20,686	6,205
	1/1/1985	46,100	13,252
	1/1/1986	134,973	44,416
	1/1/1987	118,148	41,615
	1/1/1988	123,550	34,643
	1/1/1989	95,813	37,456
	1/1/1990	177,411	78,965
	1/1/1991	84,190	40,934
	1/1/1992	50,751	19,699
	1/1/1993	168,974	92,649
	1/1/1994	131,223	77,034
	1/1/1995	141,165	89,066
	1/1/1996	101,974	66,860
	1/1/1997	188,300	122,142
	12/31/1997	123,014	86,827
	12/31/1998	81,394	59,126
	12/30/1999	135,533	93,484
	12/30/2000	138,828	106,122
	12/31/2001	168,684	136,505
	12/31/2002	233,622	205,801
	12/31/2003	86,844	45,431
	12/31/2004	91,330	88,031
	11/29/2005	18,725	18,621
	12/31/2005	8,705	8,681

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	1/1/1981	839	64
	1/1/1983	1,085	253
	1/1/1985	244	73
	1/1/1986	730	243
	1/1/1987	318	117
	1/1/1989	781	339
	1/1/1990	800	374
	1/1/1992	9,913	5,287
	1/1/1993	430	244
	1/1/1994	2,901	1,346
	1/1/1995	1,818	1,151
	1/1/1996	2,433	1,622
	1/1/1997	5,615	3,930
	12/31/1997	2,607	1,913
	12/31/1998	6,208	4,773
	12/30/1999	5,941	4,752
	12/30/2000	9,600	7,972
	12/31/2001	9,237	8,005
	12/31/2002	12,936	11,642
	12/31/2003	14,778	13,752
	12/31/2004	12,634	12,178
	9/15/2005	757	748
	11/29/2005	2,629	2,614
	12/31/2005	9,955	9,928
STREET LIGHTS - 250 MERC VAP	1/1/1981	4,268	0
	1/1/1982	317	63
	1/1/1983	5,021	1,171
	1/1/1984	1,540	308
	1/1/1986	466	155
	1/1/1987	8,759	3,211
	1/1/1988	876	174
	1/1/1989	911	396
	1/1/1990	1,547	722
	1/1/1992	134	72
	1/1/1993	1,423	807
	1/1/1994	3,531	2,118
	1/1/1997	495	346
	12/31/1997	1,775	1,302
	12/31/1998	758	582
	12/30/1999	152	121
	12/30/2000	161	134
STREET LIGHTS - 400 HPS	12/31/1997	1,054	773
	12/31/1998	805	617
	12/30/1999	377	302
	12/31/2001	239	207
	9/15/2005	1,216	1,202
	11/29/2005	476	473
	12/31/2005	1,216	1,212
STREET LIGHTS - 100 HPS	1/1/1981	7,474	962
	1/1/1982	1,039	208
	1/1/1983	1,074	250
	1/1/1984	1,119	298
	12/31/1984	15,439	4,632
	1/1/1985	287	86
	1/1/1986	6,985	2,329
	1/1/1987	18,555	3,999

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1988	5,775	2,310
	1/1/1989	9,988	4,327
	1/1/1990	30,039	13,438
	1/1/1991	5,756	2,878
	1/1/1993	36,109	20,366
	1/1/1994	43,418	26,051
	1/1/1995	38,255	24,226
	1/1/1996	27,639	18,425
	1/1/1997	86,989	57,979
	12/31/1997	48,748	35,752
	12/31/1998	62,356	47,876
	12/30/1999	73,350	58,251
	12/30/2000	86,507	71,847
	12/31/2001	92,516	80,179
	12/31/2002	102,641	92,038
	12/31/2003	148,137	137,481
	12/31/2004	121,717	117,321
	9/1/2005	6,820	6,801
	9/15/2005	361	357
	11/29/2005	13,330	13,256
	12/31/2005	113,617	113,301

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1981	147,085	0
	1/1/1982	51,473	10,295
	1/1/1983	1,275	297
	1/1/1984	47,972	12,737
	12/31/1984	60,859	18,258
	1/1/1985	10,659	2,870
	1/1/1986	88,438	5,603
	1/1/1987	110,307	39,224
	1/1/1988	54,557	13,401
	1/1/1989	133,293	57,240
	1/1/1990	125,868	58,738
	1/1/1991	36,908	15,857
	1/1/1992	31,045	16,557
	1/1/1993	61,127	34,638
	1/1/1994	153,894	92,241
	1/1/1995	27,866	17,649
	1/1/1996	740	493
	1/1/1997	45,331	31,732
	12/31/1997	35,359	25,931
	12/31/1998	72,168	54,126
	12/30/1999	59,427	47,225
	12/30/2000	81,077	67,184
	12/31/2001	48,326	40,305
	1/1/2002	140,932	57,009
	12/30/2002	918	0
	12/31/2002	18,205	16,385
	12/31/2003	18,118	8,210
	12/31/2004	32,232	31,068
	12/31/2005	10,792	10,762
POLE HARDWARE	1/1/1981	5,241,567	41,236
	1/1/1982	1,423,387	284,713
	1/1/1983	656,942	152,048
	1/1/1984	548,700	131,616
	11/25/1984	4,803	1,415
	12/31/1984	128,750	34,476
	1/1/1985	512,728	142,105
	1/1/1986	816,598	176,728
	1/1/1987	1,099,285	369,467
	1/1/1988	774,399	227,275
	1/1/1989	1,373,383	587,136
	1/1/1990	1,445,848	607,983
	1/1/1991	1,498,361	647,629
	1/1/1992	612,967	301,253
	1/1/1993	951,149	440,155
	1/1/1994	1,038,821	598,260
	1/1/1995	719,243	415,859
	1/1/1996	593,858	383,183
	1/1/1997	1,623,664	1,043,563
	12/31/1997	836,515	577,840
	12/31/1998	990,314	731,144
	11/30/1999	36,714	29,372
	12/30/1999	1,085,328	840,961
	12/30/2000	1,142,058	913,897
	12/31/2001	1,447,123	1,136,733
	1/1/2002	565,868	228,920
	12/31/2002	1,842,639	1,514,266

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2003	2,054,236	1,817,976
	12/31/2004	2,630,387	2,387,388
	9/1/2005	409,690	353,894
	9/12/2005	567,949	548,149
	9/13/2005	685,156	604,619
	11/25/2005	45,759	44,412
	11/30/2005	15,328	15,242
	12/30/2005	52,522	52,376
	12/31/2005	943,997	799,936
POLE STRUCTURES WOOD TYPE A	11/21/2004	34,439	33,100
POLES-CONCRETE 35'	1/1/1994	9,692	5,816
POLES-CONCRETE 40'	1/1/1982	114,818	22,963
	1/1/1984	23,444	6,252
	12/31/1984	36,539	10,961
	1/1/1986	69,138	0
	1/1/1987	10,317	3,783
	1/1/1990	23,134	9,857
	1/1/1994	24,784	14,871
POLES - WOOD 30'	1/1/1981	402,625	4,806
	1/1/1982	13,017	2,603
	1/1/1983	2,651	618
	1/1/1984	48,624	7,892
	12/31/1984	3,350	885
	1/1/1985	6,315	1,767
	1/1/1986	51,143	15,672
	1/1/1987	15,689	3,963
	1/1/1988	43,257	16,033
	1/1/1989	37,438	14,060
	1/1/1990	33,136	14,595
	1/1/1991	20,092	10,024
	1/1/1992	125,951	56,383
	1/1/1993	34,276	16,824
	1/1/1994	30,665	14,415
	1/1/1995	38,040	23,945
	1/1/1996	29,025	18,508
	1/1/1997	35,862	21,739
	12/31/1997	29,450	20,330
	12/31/1998	78,981	60,165
	12/30/1999	27,529	20,531
	12/30/2000	48,159	38,569
	12/31/2001	24,464	20,699
	12/31/2002	12,188	10,844
	12/31/2003	76,806	68,444
	12/31/2004	29,375	28,314
	9/1/2005	14,857	14,815
	9/12/2005	12,584	12,549
	9/13/2005	2,277	2,251
	12/31/2005	61,110	60,182
POLES-WOOD 35'	1/1/1981	1,122,064	15,194
	1/1/1982	152,501	30,501
	1/1/1983	144,491	33,518
	1/1/1984	210,473	45,145
	12/31/1984	547	164
	1/1/1985	133,913	28,673
	1/1/1986	550,497	85,858
	1/1/1987	327,304	118,415
	1/1/1988	241,440	62,389

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1989	694,992	290,402
	1/1/1990	226,202	97,556
	1/1/1991	305,292	149,625
	1/1/1992	820,748	346,234
	1/1/1993	274,679	130,872
	1/1/1994	371,307	210,615
	1/1/1995	294,716	186,653
	1/1/1996	535,157	349,807
	1/1/1997	461,089	308,530
	12/31/1997	214,592	146,447
	12/31/1998	355,992	265,389
	11/30/1999	21,674	17,339
	12/30/1999	276,886	213,628
	12/30/2000	363,264	284,259
	12/31/2001	297,961	228,116
	1/1/2002	2,164,875	875,858
	12/31/2002	365,960	322,030
	12/31/2003	413,572	369,489
	12/31/2004	407,676	391,792
	9/1/2005	53,801	53,651
	9/12/2005	14,880	14,813
	9/13/2005	75,077	74,489
	9/15/2005	2,388	2,361
	11/10/2005	3,199	3,199
	11/29/2005	10,961	10,900
	12/31/2005	210,136	133,115
POLES-WOOD 40'	1/1/1981	1,710,876	26,832
	1/1/1982	185,064	37,014
	1/1/1983	83,054	19,380
	1/1/1984	214,737	56,925
	1/1/1985	127,796	27,999
	1/1/1986	292,915	78,011
	1/1/1987	248,667	79,295
	1/1/1988	335,816	112,905
	1/1/1989	571,693	241,446
	1/1/1990	955,269	378,201
	1/1/1991	224,198	103,884
	1/1/1992	292,513	136,517
	1/1/1993	336,606	137,123
	1/1/1994	329,032	190,697
	1/1/1995	265,919	163,492
	1/1/1996	639,337	418,541
	1/1/1997	324,670	211,185
	12/31/1997	181,637	123,486
	12/31/1998	292,964	211,135
	11/30/1999	13,075	10,460
	12/30/1999	261,534	202,156
	12/30/2000	325,383	250,308
	12/31/2001	349,567	272,358
	12/31/2002	250,001	224,587
	12/31/2003	483,428	340,861
	12/31/2004	360,975	345,923
	9/1/2005	3,117	3,108
	9/12/2005	5,494	5,478
	9/13/2005	55,701	55,095
	11/29/2005	8,705	8,657
	12/31/2005	746,856	490,663

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLES-WOOD 45'	1/1/1981	174,277	5,072
	1/1/1982	75,988	15,197
	1/1/1983	75,987	17,729
	1/1/1984	24,235	6,463
	12/31/1984	22,258	6,678
	1/1/1985	105	31
	1/1/1986	106,818	20,513
	1/1/1987	68,396	23,780
	1/1/1988	75,824	17,334
	1/1/1989	321,092	138,730
	1/1/1990	78,453	23,992
	1/1/1991	135,775	57,777
	1/1/1992	70,538	30,080
	1/1/1993	135,932	65,861
	1/1/1994	177,314	99,176
	1/1/1995	97,899	62,003
	1/1/1996	219,719	143,695
	1/1/1997	281,140	188,059
	12/31/1997	130,970	86,194
	12/31/1998	138,923	100,520
	11/30/1999	7,309	5,848
	12/30/1999	145,823	111,596
	12/30/2000	133,999	98,132
	12/31/2001	244,598	191,412
	12/31/2002	98,101	87,092
	12/31/2003	277,290	226,022
	12/31/2004	116,519	112,311
	9/1/2005	9,953	9,926
	9/12/2005	3,020	3,011
	11/29/2005	1,381	1,373
	12/31/2005	139,601	139,213
POLES-WOOD 50'	1/1/1981	7,712	680
	1/1/1982	2,396	479
	1/1/1983	10,765	2,512
	1/1/1984	1,868	498
	1/1/1986	907	0
	1/1/1987	9,259	3,395
	1/1/1988	17,788	3,528
	1/1/1989	22,978	9,958
	1/1/1990	12,400	5,787
	1/1/1991	12,733	6,366
	1/1/1992	8,025	3,688
	1/1/1993	14,741	6,496
	1/1/1994	10,862	6,517
	1/1/1995	10,340	6,549
	1/1/1996	7,505	5,004
	1/1/1997	9,378	6,564
	12/31/1997	6,689	3,340
	12/31/1998	7,898	6,055
	12/30/1999	15,451	12,361
	12/30/2000	9,649	8,014
	12/31/2001	21,252	14,038
	12/31/2002	10,004	9,004
	12/31/2003	14,983	11,675
	12/31/2005	19,167	19,113
POLES-WOOD 55'	1/1/1981	629	105
	1/1/1982	15,266	3,054

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1987	460	168
	1/1/1988	7,171	1,717
	1/1/1992	3,733	0
	1/1/1997	2,928	2,050
	12/30/1999	5,118	4,092
	12/31/2001	1,440	1,248
	12/31/2005	5,157	5,142
POLES-WOOD 60'	1/1/1981	2,510	348
	1/1/1994	12,870	7,722
	12/31/1998	16,267	12,682
POLES-WOOD 65'	1/1/1982	2,270	454
POLES-WOOD 70'	1/1/1994	21,515	12,909

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
FENCING	1/1/1994	9,612	5,767
LAND ACQUISITIONS	1/8/1990	1,300	1,300
	1/1/1997	22,248	22,248
RIGHT - OF - WAYS	1/1/1981	42,906	2,308
	1/1/1982	26,059	5,212
	1/1/1983	8,603	2,007
	1/1/1984	24,764	6,604
	12/31/1984	3,283	984
	1/1/1985	520	156
	1/1/1986	37,236	0
	1/1/1987	55,801	20,461
	1/1/1988	4,485	1,309
	1/1/1989	32,052	13,888
	1/1/1990	12,046	5,622
	1/1/1991	73,529	36,766
	1/1/1993	1,921	364
	1/1/1994	43,336	26,002
	1/1/1995	6,091	3,857
	1/1/1997	92,827	64,979
	12/31/1997	17,373	12,740
	12/31/1998	117,520	90,099
	12/30/1999	32,958	26,366
	12/30/2000	13,908	11,551
	12/30/2001	15,824	13,670
	12/31/2001	10,009	8,404
	1/1/2002	86,458	34,990
	12/31/2002	8,998	8,098
	12/31/2003	32,707	1,646
	12/31/2004	48,593	46,838
	12/31/2005	87,306	66,666
ROADS	1/1/1994	5,230	3,137
	1/1/1997	2,312	1,619

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **Customer Related**

Unit of Property	Date Acquired	Original Cost	Net Book Value
COMPUTER SOFTWARE	1/1/1999	1,804,009	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	1/1/1980	96,868	2,833
	2/1/1982	34,942	1,961
	9/2/1982	21,542	0
	3/20/1990	158,307	58,107
	8/23/1990	35,861	0
	12/15/1998	30,685	9,717
	2/19/1999	6,272	1,934
	3/5/1999	50,002	19,918
	5/28/1999	4,048	2,698
	9/24/1999	2,293	841
	8/9/2000	101,636	46,583
	6/28/2001	26,315	14,254
	9/19/2001	18,207	10,621
	12/6/2001	583,821	345,428
	7/1/2003	411,148	308,361
	9/8/2003	128,557	98,561
	12/3/2004	163,320	151,524
	9/5/2005	64,122	63,409
	9/19/2005	79,892	79,004
	10/3/2005	81,320	80,417
	11/24/2005	17,808	17,611
BATTERY CHARGERS	1/1/1980	107,485	3,829
	11/30/1980	8,963	0
	2/1/1982	37,706	2,117
	9/2/1982	6,008	0
	3/20/1990	144,161	56,462
	8/23/1990	42,640	0
	11/5/1995	17,492	0
	3/1/1999	37,042	11,730
	5/28/1999	3,429	2,286
	8/9/2000	71,183	32,626
	9/19/2001	87,044	50,776
	12/6/2001	7,549	4,467
	7/1/2003	149,298	111,973
	9/8/2003	108,821	83,429
	9/26/2003	15,780	12,098
	11/20/2003	117,774	92,256
	12/3/2004	134,270	120,386
	12/31/2004	4,284	3,820
	9/19/2005	71,251	70,063
BUILDINGS-CONCRETE	2/1/1969	22,151	0
	7/15/1986	74,137	1,853
	7/1/1987	3,379	253
	1/1/1988	16,628	1,663
	4/28/1989	63,725	10,355
	12/10/1989	19,747,708	13,396,426
	12/31/1989	60,376	0
	8/23/1990	1,048,507	707,200
	11/15/1990	14,680	10,226
	12/31/1990	28,525	0
	11/10/1992	9,343	6,727
	11/3/1993	5,600	0
	12/31/1993	173,780	128,445
	10/20/1994	4,909	0
	1/26/1996	25,633	19,671
	6/7/1996	12,513	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/2/1996	41,291	0
	4/30/1997	10,276	1,285
	5/28/1997	2,553	1,668
	12/15/1997	32,929	19,620
	9/29/1999	7,200	4,160
	2/29/2000	26,320	18,533
	5/10/2000	15,229	13,503
	12/28/2001	95,834	56,702
	8/18/2002	23,964	15,777
BUILDINGS-COMMUNICATIONS	7/1/2003	331,726	248,795
	11/20/2003	556,261	495,999
	12/2/2005	39,329	39,165
BUILDINGS-FIBERGLASS	5/28/1999	2,522	1,682
BUILDINGS-MAINTENANCE BUILDINC	12/3/2001	8,820	5,219
BUILDINGS-METAL	2/7/1969	5,565	0
	4/13/1971	637,125	0
	7/14/1971	63,072	0
	1/1/1975	139,544	0
	6/20/1975	397,151	0
	7/2/1975	15,002	0
	1/1/1976	23,212	0
	7/2/1976	3,026	50
	1/1/1977	60,480	0
	1/28/1977	2,811	0
	7/3/1977	34,545	1,727
	10/1/1978	4,088	374
	2/1/1979	8,904	915
	6/30/1980	8,173	1,203
	7/15/1980	10,132	0
	1/1/1981	18,348	0
	11/1/1981	24,744	0
	12/2/1981	18,927	0
	12/16/1981	20,390	0
	3/6/1982	144,509	29,705
	12/2/1982	52,998	0
	6/30/1984	15,801	0
	10/27/1984	49,261	14,368
	11/2/1985	81,997	0
	5/1/1986	11,416	0
	5/1/1987	14,450	4,076
	11/30/1988	5,664	1,613
	12/12/1988	156,969	0
	1/30/1989	28,627	0
	6/9/1989	39,637	0
	8/28/1989	5,449	2,467
	1/15/1990	70,765	14,153
	2/23/1990	34,784	0
	5/14/1990	270,140	58,530
	10/31/1990	16,052	3,812
	11/23/1990	22,598	5,461
	12/31/1990	197,039	49,260
	9/24/1991	27,299	7,735
	11/14/1991	5,178	1,510
	7/14/1992	4,503	1,464
	12/12/1993	58,122	23,007
	9/26/1994	3,673	204
	10/20/1994	4,221	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/28/1994	3,951	1,729
	1/1/1996	33,581	0
	4/16/1996	312,312	160,060
	6/28/1996	63,323	0
	12/18/1998	8,717	5,630
	7/27/2001	23,306	18,062
	12/31/2003	166,852	124,718
	2/29/2004	50,242	40,612
	11/20/2005	32,271	31,733
	12/31/2005	149,916	149,291
BUILDINGS-SHIELDED ROOMS	6/25/1992	15,382	0
BUILDINGS-TRAILERS	6/1/1980	0	0
	9/24/1983	2,577	0
	9/13/1985	66,998	0
	12/1/1985	21,461	0
	5/13/1988	41,755	4,872
	8/8/1988	7,334	0
	11/15/1988	16,704	11,583
	3/9/1989	36,726	5,815
	8/28/1989	9,954	0
	12/10/1989	26,930	18,268
	10/12/1994	55,820	10,965
BUILDINGS-WOODEN	2/7/1971	9,159	0
	1/1/1975	25,278	0
	1/1/1977	4,309	0
	1/1/1980	91,476	20,501
	5/31/1980	33,600	0
	11/16/1980	40,947	0
	11/30/1980	56,854	0
	12/12/1980	98,642	0
	9/27/1981	47,032	0
	10/27/1981	7,367	1,412
	12/1/1981	26,099	0
	3/26/1982	38,838	0
	7/30/1982	32,758	0
	9/2/1982	23,553	0
	12/17/1982	330,752	0
	8/1/1983	17,034	0
	9/24/1983	2,577	0
	1/1/1984	3,398	0
	10/27/1984	4,878	0
	10/31/1984	15,227	0
	9/24/1985	52,432	0
	12/1/1985	7,348	0
	11/14/1986	28,303	1,179
	2/20/1987	42,097	2,280
	9/1/1987	8,401	0
	10/24/1987	36,530	3,196
	12/1/1987	11,185	1,072
	12/14/1987	106,375	10,194
	12/19/1987	53,261	5,104
	12/12/1988	36,358	5,302
	3/9/1989	36,706	5,812
	3/15/1989	2,341,134	825,400
	6/9/1989	77,790	34,790
	6/23/1989	12,269	2,096
	11/24/1989	154,773	29,665

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/30/1989	46,890	8,987
	12/1/1989	56,499	11,065
	2/1/1990	537	0
	6/1/1990	5,261	1,162
	8/1/1990	160,710	36,829
	9/15/1990	27,078	6,318
	10/19/1990	4,323	1,027
	12/7/1990	123,393	30,334
	11/1/1991	8,585	2,504
	11/29/1991	16,807	4,902
	9/9/1992	12,727	4,242
	10/9/1992	9,024	3,045
	11/16/1992	1,023	349
	12/18/1992	1,405	0
	12/31/1992	22,822	7,988
	9/20/1993	16,943	6,495
	3/15/1994	39,847	16,271
	9/8/1994	2,454	1,063
	2/16/1995	333,845	151,622
	10/2/1995	8,570	4,177
	12/15/1995	124,670	61,815
	6/28/1996	15,317	638
	9/15/1997	288,511	168,298
	9/20/1997	52,648	30,715
	10/3/1997	11,940	7,015
	10/24/1997	28,300	16,626
	12/18/1998	9,856	6,365
	3/1/1999	101,720	33,676
	10/31/2000	198,527	146,414
	9/12/2001	70,837	55,489
	11/30/2001	12,609	7,355
	12/6/2001	1,000,499	591,962
	12/15/2001	186,193	143,917
	6/3/2003	21,518	18,739
	11/20/2003	362,083	322,857
	8/12/2005	61,092	60,991
	10/15/2005	37,565	37,096
	10/31/2005	69,692	68,821
	11/11/2005	38,324	38,005
	11/30/2005	56,769	56,296
	12/2/2005	9,861	9,820
	12/22/2005	92,729	91,956
CABLE-COMMUNICATIONS-METALLI(	11/30/1980	8,519	0
	9/2/1982	12,612	0
	5/27/1993	10,781	0
CABLE-COMMUNICATIONS-OPTIC	1/1/1980	24,177	0
	5/27/1993	101,760	0
	2/8/1999	176,608	54,454
	11/30/2000	22,031	10,648
	12/6/2001	43,098	25,499
	12/7/2001	86,481	51,168
	12/2/2002	52,103	36,038
	12/13/2002	208,274	144,056
	7/1/2003	340,160	255,120
	11/20/2003	552,088	432,469
CABLES - TRAYS AND CONDUIT	10/1/2001	63,219	36,351
COMPUTERS	8/12/1992	2,900	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/1992	9,036	0
	6/15/1993	12,136	0
	12/31/1993	6,088	0
	12/31/1994	11,486	0
	4/13/1995	2,820	0
	12/31/1995	14,540	0
	11/1/1996	8,050	0
	1/1/1997	45,572	0
	1/8/1997	2,584	0
	2/24/1997	10,340	0
	6/6/1997	3,309	0
	10/20/1997	14,721	0
	10/22/1997	2,653	0
	11/20/1997	685	126
	12/31/1997	22,014	0
	1/13/1998	4,384	0
	2/13/1998	4,590	0
	4/7/1998	0	0
	7/1/1998	25,112	0
	9/8/1998	14,575	0
	10/16/1998	2,617	0
	10/21/1998	5,260	0
	12/14/1998	4,880	0
	1/14/1999	3,635	0
	3/10/1999	8,098	0
	6/16/1999	6,390	0
	6/22/1999	5,021	0
	9/24/1999	15,092	2,544
	9/28/1999	0	0
	10/15/1999	6,636	0
	10/25/1999	143,758	0
	12/7/1999	4,002	0
	12/14/1999	4,056	0
	12/17/1999	4,953	1,940
	1/26/2000	98,789	0
	2/22/2000	2,282	0
	3/16/2000	6,060	0
	4/5/2000	4,522	0
	8/4/2000	21,444	0
	10/1/2000	16,530	3,374
	12/29/2000	1,600	0
	4/1/2001	275,479	0
	6/21/2001	25,076	2,090
	6/30/2001	75,959	0
	7/13/2001	12,603	1,260
	10/1/2001	24,615	3,692
	12/27/2001	30,079	5,515
	12/31/2001	134,575	0
	1/1/2002	23,657	0
	7/1/2002	89,215	0
	10/1/2002	35,435	0
	12/12/2002	2,035	1,187
	1/1/2003	182,812	0
	4/1/2003	149,236	12,436
	8/21/2003	2,609	1,522
	8/22/2003	20,163	11,762
	8/25/2003	30,518	17,802

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/26/2003	9,963	5,812
	8/27/2003	11,343	7,043
	8/28/2003	2,021	1,179
	8/29/2003	4,017	2,343
	8/30/2003	56,003	32,996
	9/3/2003	7,901	4,609
	9/4/2003	9,882	5,765
	9/5/2003	14,435	8,804
	9/10/2003	3,992	2,328
	9/15/2003	8,869	5,173
	9/16/2003	6,907	4,029
	9/17/2003	13,579	7,921
	9/18/2003	2,635	1,537
	9/19/2003	23,303	13,594
	9/22/2003	6,127	3,574
	9/23/2003	14,783	8,624
	9/24/2003	6,789	3,961
	9/25/2003	4,712	2,749
	9/26/2003	5,269	3,074
	9/29/2003	2,635	1,537
	9/30/2003	4,712	2,749
	10/2/2003	7,904	4,610
	10/3/2003	12,811	7,473
	10/7/2003	2,591	1,511
	10/9/2003	9,199	5,366
	10/16/2003	4,050	2,362
	11/3/2003	8,258	4,817
	11/4/2003	8,739	5,098
	11/5/2003	16,908	9,863
	11/6/2003	17,389	10,143
	11/7/2003	6,675	3,893
	11/12/2003	21,607	12,604
	11/13/2003	10,323	6,021
	11/17/2003	12,495	7,288
	11/18/2003	8,133	4,744
	11/19/2003	10,804	6,302
	11/20/2003	29,599	17,265
	12/4/2003	3,950	2,304
	12/12/2003	132,249	77,563
	12/31/2003	1,076,742	628,492
	1/1/2004	2,230	1,338
	1/5/2004	1,472	883
	1/13/2004	1,947	1,168
	1/15/2004	37,746	22,649
	3/8/2004	282,190	178,725
	3/11/2004	2,693	1,706
	3/29/2004	1,472	932
	3/30/2004	3,631	2,300
	3/31/2004	37,621	23,828
	4/2/2004	19,822	12,884
	4/12/2004	1,947	1,265
	5/10/2004	105,973	70,651
	5/11/2004	1,472	981
	5/25/2004	1,947	1,298
	6/1/2004	11,446	7,821
	6/23/2004	154,195	105,217
	6/30/2004	1,947	1,330

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/5/2004	1,947	1,460
	10/21/2004	1,947	1,460
	12/15/2004	25,416	19,909
	12/20/2004	31,146	24,399
	12/22/2004	35,325	27,672
	12/31/2004	7,728	6,102
	5/26/2005	23,942	20,749
	5/27/2005	46,596	40,384
	6/6/2005	21,832	19,285
	6/24/2005	1,684	1,487
COOLING SYSTEMS	1/1/1980	46,070	31,537
	9/26/2003	28,266	21,670
	7/23/2004	23,345	19,844
	12/30/2005	188,638	187,066
DIESEL ENGINES - DIESEL GEN	3/1/1999	150,151	47,548
EMS - COMPUTERS	8/23/1990	9,494,935	0
	3/27/1992	12,860	0
	2/28/1993	27,035	0
	10/19/1993	21,897	0
	6/8/1994	229,340	0
EMS - MIMIC BOARD	8/23/1990	638,968	0
	8/25/1999	7,103	2,434
	11/17/2000	1,632	0
EMS - OTHER	8/23/1990	562,842	0
	2/7/2005	1,069	1,051
EMS - OPERATING CONSOLE	8/23/1990	664,594	0
EMS - PDC-POWER DIST. CTL	8/23/1990	199,681	0
EMS - PRINTERS	8/23/1990	100,663	0
EMS - RECORDERS	5/30/1980	16,461	0
	8/23/1990	148,167	0
EMS - REMOTE TERMINAL UNIT	1/1/1980	16,726	12,173
	8/23/1990	302,235	0
	11/30/1998	51,439	10,479
	11/5/1999	38,860	18,782
	11/23/2000	115,483	55,817
	8/3/2001	32,805	18,316
	12/6/2001	159,515	94,380
	12/14/2001	25,089	18,260
	12/21/2001	33,452	24,346
	12/28/2001	49,000	28,993
	12/30/2004	8,033	7,162
EMS - UPS	8/23/1990	294,490	0
FENCING	4/2/1970	4,152	0
	7/18/1974	20,702	0
	10/7/1975	1,286	0
	1/28/1977	547	0
	10/1/1978	21,200	0
	1/1/1979	8,316	0
	1/1/1980	2,198	0
	11/30/1980	30,057	0
	1/1/1981	4,059	0
	3/6/1982	15,530	3,192
	3/26/1982	4,721	0
	12/17/1982	15,731	0
	7/2/1983	2,906	0
	9/1/1985	6,957	0
	9/24/1985	11,442	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/31/1987	8,845	700
	10/31/1987	17,843	1,561
	6/9/1989	1,729	774
	6/23/1989	11,902	2,033
	9/4/1989	22,472	4,120
	11/24/1989	8,959	1,717
	11/30/1989	19,070	3,655
	12/1/1989	11,784	2,307
	12/10/1989	2,811	1,907
	8/23/1990	5,979	0
	10/1/1990	21,064	0
	12/31/1990	4,097	1,024
	6/7/1991	2,890	0
	8/31/1991	13,659	3,813
	11/16/1992	1,300	936
	1/4/1993	3,700	1,295
	9/15/1993	10,261	3,933
	2/16/1995	9,908	4,500
	9/30/1995	7,883	0
	7/31/1996	10,001	2,084
	10/31/1997	9,340	5,487
	11/14/1997	23,867	14,121
	9/9/1998	9,950	6,302
	10/15/1998	12,420	3,416
	12/7/1998	55,694	35,968
	8/24/2001	53,145	41,408
	12/6/2001	105,444	62,388
	7/1/2003	31,612	23,709
	11/20/2003	506,361	396,650
	12/2/2005	3,295	3,281
FIRE FIGHTING-BLDG FIRE PROT	1/1/1979	9,698	0
	12/5/1983	12,693	0
	3/15/1989	75,274	26,539
	12/10/1989	41,437	28,108
	2/23/2001	12,437	9,991
FIRE FIGHTING - OTHER	1/1/1975	10,000	0
	5/31/1976	19,814	0
	1/1/1978	2,515	0
	1/1/1979	3,413	0
	3/16/1981	14,000	0
	6/17/1983	22,227	0
	9/15/1983	1,705	0
	3/16/1989	14,115	0
	3/1/1999	42,852	14,512
	11/1/2002	127,430	111,289
	7/1/2003	229,854	188,922
FIRE FIGHTNG-WET/DRY SPRINKLEF	1/1/1983	1,766	412
	12/10/1989	561,314	380,758
	4/6/1999	23,740	15,728
	4/7/1999	27,446	18,182
	11/20/2003	96,246	82,346
FOOTINGS (CONC)-STL STRUCTURE	11/30/1980	87,466	0
	12/16/1980	1,383	0
	8/23/1990	39,932	0
FOUNDATIONS (CONC) FOR BLDGS	11/30/1980	978	0
	11/1/1981	4,650	0
	12/2/1982	8,630	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/12/1988	12,691	1,851
	11/24/1989	30,241	5,796
	1/15/1990	12,528	2,505
	8/10/1990	5,607	1,285
	11/23/1990	880	213
	11/14/1991	13,333	0
	12/12/1993	12,317	4,875
	5/15/1995	6,274	2,928
	3/1/1999	15,692	5,195
FOUNDATIONS (CONC) FOR EQUIP	11/30/1980	778	0
	11/1/1981	1,200	0
	12/1/1987	4,612	1,832
	8/23/1990	33,908	0
FUEL OIL STORAGE TANKS	9/29/1995	41,075	0
	9/20/1996	34,755	2,317
	10/31/1996	4,823	362
	12/31/1997	5,992	1,198
	3/25/1999	18,570	12,225
	12/31/2001	35,335	28,268
	7/1/2003	26,300	19,725
	12/31/2003	90,091	80,706
FUEL STORAGE TKS - UNDERGROUI	11/2/1989	5,434	0
	8/31/1990	32,025	7,339
	12/17/1990	13,401	3,294
GENERATOR - OTHER	3/24/1997	14,122	2,825
	6/10/1997	3,573	0
	10/7/1999	16,056	7,761
	11/17/2000	32,112	15,521
	12/6/2001	368,269	217,892
	11/20/2003	239,726	187,786
GROUNDING	7/1/2003	42,230	31,673
	11/20/2003	114,673	89,827
	12/2/2005	10,098	10,014
HRDWIRED SUPRVSRY - REMOTE E(	1/1/1980	46,356	0
	11/15/1987	40,745	2,059
	2/12/1988	7,558	0
HELICOPTER LANDING PAD	4/2/1974	7,976	0
INFORMATION DELIVERY SYS - ECC	11/30/1994	89,925	0
	4/17/2001	90,124	4,506
INVERTERS	7/26/2000	11,968	5,386
	12/31/2005	2,340	2,301
ISOLATION EQUIPMENT	10/1/2002	51,124	34,509
	1/1/2003	33,039	23,127
LAND ACQUISITIONS	1/1/1971	22,778	22,778
	1/28/1980	500	500
	5/31/1980	800	0
	11/1/1981	200	0
	3/16/1982	4,250	4,250
	4/8/1982	3,000	3,000
	1/10/1983	12,200	12,200
	11/7/1984	7,620	7,620
	1/1/1985	5,366	5,366
	1/2/1985	3,900	3,900
	5/27/1986	3,000	3,000
	12/31/1986	0	0
	2/20/1987	7,043	7,043
	4/8/1987	8,000	8,000

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/1/1987	540	540
	6/16/1988	1,400	1,400
	7/28/1988	3,500	3,500
	9/27/1988	2,200	2,200
	11/10/1988	2,500	2,500
	4/28/1989	21,275	21,275
	12/10/1989	2,488,947	2,488,947
	8/23/1990	14,363	14,363
	12/31/1990	4,000	4,000
	7/1/1991	56,200	56,200
	6/22/1993	800	800
	4/4/1994	250	250
	12/1/1994	15,144	15,144
	7/31/1996	3,000	3,000
	9/12/1996	5,750	5,750
	6/10/1999	3,000	3,000
	7/2/1999	8,600	8,600
	3/14/2001	3,750	3,750
	6/4/2001	4,750	4,750
	12/21/2001	10,000	10,000
	7/23/2004	5,250	5,250
LAND IMPROVEMENTS	8/31/1972	286,219	94,930
	3/3/1975	11,255	4,314
	7/3/1975	17,133	6,682
	7/2/1976	25,753	10,559
	1/1/1977	13,994	0
	7/2/1977	4,154	1,787
	4/1/1979	22,596	10,507
	11/30/1980	180,763	0
	1/1/1981	82,582	8,799
	3/6/1982	54,695	11,243
	3/26/1982	15,816	0
	12/17/1982	3,670	0
	7/2/1983	5,120	0
	11/2/1983	3,286	0
	1/1/1984	26,119	0
	9/9/1984	63,191	0
	10/25/1986	25,293	949
	4/8/1987	10,008	626
	6/2/1987	85,129	53,489
	8/1/1987	3,276	259
	11/17/1988	28,742	4,072
	12/12/1988	1,033	151
	1/1/1989	4,097	615
	3/15/1989	67,276	23,719
	9/19/1989	15,000	6,833
	10/6/1989	26,869	10,698
	11/24/1989	58,718	11,254
	12/10/1989	1,447,738	990,071
	6/26/1990	32,471	7,171
	8/10/1990	5,237	1,200
	8/23/1990	20,392	0
	9/21/1990	6,938	4,811
	9/24/1990	43,561	30,203
	10/1/1990	129,380	0
	10/31/1990	11,975	2,844
	11/15/1990	31,887	21,214

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/18/1991	36,953	25,919
	9/30/1991	20,638	14,475
	10/31/1991	57,464	37,708
	1/1/1992	50,813	15,244
	10/16/1992	10,400	7,468
	10/20/1992	6,108	2,061
	11/16/1992	1,500	1,080
	12/2/1992	9,194	3,179
	12/31/1992	22,707	7,947
	11/30/1993	74,656	55,330
	7/8/1994	17,483	13,015
	2/16/1995	57,314	26,030
	8/29/1995	2,805	1,344
	9/30/1995	5,946	0
	10/13/1995	26,908	13,117
	7/31/1996	28,217	5,878
	11/14/1997	17,549	10,383
	12/31/1997	6,890	4,134
	5/28/1999	17,580	11,720
	12/2/2002	87,080	73,656
	12/2/2005	36,663	36,510
LINE COUPLING EQUIPMENT	7/3/1978	1,500	0
	11/30/1980	19,250	0
	1/1/1984	20,332	0
METERS - OTHER	1/1/1980	3,175	318
	1/6/1997	1,588	159
	12/31/1997	17,680	3,536
MICROWAVE DISH	8/10/1990	1,874	429
MISC UNITS OF PROP	10/31/1986	53,129	1,992
	1/23/1988	288	0
	12/10/1989	168,364	141,012
	11/19/1990	4,354	0
	7/17/1992	13,597	9,607
	11/30/1998	54,854	11,683
	8/31/1999	34,585	0
	11/4/1999	10,188	3,964
	11/17/1999	91,262	63,137
	12/2/1999	29,701	20,667
	12/30/1999	108,375	0
	12/29/2000	20,192	9,928
	9/20/2004	77,770	57,031
	11/30/2004	15,584	11,948
	12/31/2005	151,627	149,100
MOBILE - A.T.V.'S	5/6/1991	5,958	0
	6/1/1994	6,632	0
	4/22/1997	12,800	0
	5/25/1998	6,468	0
	6/1/1998	19,403	0
	7/30/1999	12,900	0
	8/12/1999	38,700	0
	8/11/2000	22,800	0
	10/11/2000	9,300	0
	12/30/2000	5,700	0
	6/17/2001	6,050	605
	6/18/2001	48,400	7,051
	6/20/2001	15,549	1,713
	7/6/2001	12,100	1,210

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/11/2001	7,195	1,079
	11/9/2001	14,390	2,398
	4/18/2002	11,229	5,185
	7/2/2002	6,950	5,010
	8/6/2002	6,950	2,992
	8/21/2002	20,850	8,977
	10/30/2003	47,000	30,027
	5/10/2004	75,100	54,238
	5/18/2005	6,600	5,958
	6/7/2005	16,700	15,076
	6/10/2005	17,963	16,217
	6/13/2005	22,233	20,072
	6/22/2005	13,200	11,917
MOBILE - AIR COMPRESSORS	9/1/1986	15,410	0
	7/31/1989	12,622	0
	10/12/1989	13,047	0
	4/20/1990	12,913	0
	5/2/1990	15,110	0
	5/3/1991	14,007	0
	7/20/1995	18,500	0
	6/1/1996	18,722	0
	12/31/1997	12,900	0
	11/25/1999	31,218	5,984
MOBILE - ARGO'S	7/6/2005	16,220	14,598
MOBILE - ATTACHMENTS	3/3/1979	67,238	0
	5/10/1979	20,329	0
	6/1/1980	0	0
	6/21/1988	6,463	0
	7/4/1988	3,589	0
	6/1/1990	31,000	0
	6/1/1994	64,071	0
	5/23/1995	35,721	0
	4/17/1996	13,589	340
	9/7/1996	2,700	207
	6/1/1997	27,878	6,925
	5/28/1998	11,840	0
	5/15/2000	37,800	16,380
	5/29/2000	25,000	11,250
	7/20/2000	17,995	0
	9/17/2001	12,000	6,900
	4/2/2002	12,725	7,953
	4/16/2002	38,500	24,383
	7/18/2002	6,637	4,314
	4/23/2004	37,266	30,744
	5/20/2005	39,900	37,573
MOBILE - FLEXTRAC	11/22/1985	75,685	0
	12/4/1985	75,471	0
	6/21/1988	115,438	0
	10/17/1988	93,865	0
	6/1/1989	107,632	0
	10/7/2005	304,558	299,482
MOBILE - FORKLIFTS	6/1/1988	69,676	0
	6/1/1989	26,582	0
	10/11/1990	43,680	0
	6/1/1993	36,995	0
	6/1/1994	0	0
	11/1/1994	90,238	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/28/1998	40,097	0
	7/22/1999	22,739	0
	11/15/2000	33,500	0
MOBILE - LOADERS/GRADERS	6/1/1988	134,707	0
	6/1/1992	137,600	0
	6/1/1993	14,218	0
	6/1/1994	170,276	0
	9/25/1999	59,100	21,670
	3/18/2004	119,139	97,297
MOBILE - MUSKEGS	1/12/1988	113,306	0
	6/1/1988	103,188	0
	3/27/1990	128,762	0
	5/23/1990	87,431	0
	6/1/1990	93,301	0
	4/17/1991	102,106	0
	6/1/1993	117,917	0
	6/1/1994	573,874	0
	1/25/1995	198,653	0
	5/14/1996	222,295	7,409
	6/1/1996	157,976	14,481
	5/8/1997	139,000	18,534
	5/12/1997	223,418	29,789
	6/1/1997	151,755	41,732
	6/1/1998	207,200	53,526
	12/14/1998	308,257	89,908
	10/27/1999	186,283	69,856
	5/29/2000	184,500	83,025
	4/10/2001	239,000	127,466
	12/31/2002	179,687	124,284
MOBILE - SNOWMOBILES	2/24/1994	3,230	0
	3/7/1996	9,372	0
	3/27/1997	9,393	0
	3/28/1997	5,922	0
	4/2/1998	37,625	0
	10/15/1999	25,412	0
	10/25/1999	5,495	0
	11/8/1999	12,490	0
	10/11/2000	16,776	0
	1/31/2001	9,350	0
	2/2/2001	9,350	0
	9/13/2001	7,900	0
	9/20/2001	7,900	0
	12/3/2001	18,354	0
	2/20/2002	10,200	3,300
	3/8/2002	43,360	15,657
	3/19/2002	5,100	1,650
	8/21/2002	22,936	9,876
	11/19/2002	6,300	2,975
	11/25/2002	31,500	14,875
	8/12/2003	32,515	19,419
	6/29/2004	90,155	66,365
	6/14/2005	35,105	31,692
	12/22/2005	26,250	25,885
	12/23/2005	5,250	5,177
MOBILE - TRAILERS	6/1/1973	0	0
	6/1/1977	6,407	0
	6/1/1978	0	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	6/1/1980	21,478	0
	7/15/1980	0	0
	6/1/1981	42,839	0
	10/2/1982	10,644	0
	4/2/1983	9,680	0
	6/1/1984	13,078	0
	2/22/1986	840	0
	6/1/1988	43,120	0
	2/3/1989	25,088	0
	6/1/1989	91,629	0
	3/15/1990	19,933	0
	6/1/1992	59,546	0
	10/20/1992	18,614	0
	6/1/1993	18,771	0
	6/1/1994	20,909	0
	2/24/1995	1,631	0
	3/20/1995	1,749	0
	5/1/1995	0	0
	5/8/1995	18,607	0
	6/1/1995	19,634	0
	2/21/1996	59,737	497
	6/1/1996	94,781	7,173
	11/29/1996	28,013	2,334
	12/13/1996	1,918	175
	3/17/1997	1,975	230
	6/1/1997	54,605	8,605
	11/4/1997	4,690	860
	4/30/1998	4,500	1,013
	6/1/1998	28,687	5,533
	10/27/1998	28,820	7,925
	11/30/1998	1,280	362
	12/31/1998	30,875	567
	1/1/1999	15,688	4,837
	2/3/1999	6,585	2,031
	3/29/1999	23,886	7,564
	6/30/1999	888	0
	12/7/1999	8,792	3,443
	2/14/2000	30,288	12,368
	2/21/2000	63,944	26,111
	9/26/2000	2,395	1,118
	9/29/2000	2,395	1,118
	9/30/2000	8,790	4,102
	10/12/2000	4,125	1,959
	10/17/2000	16,700	8,071
	4/25/2001	0	0
	5/8/2001	5,565	3,045
	6/15/2001	6,395	3,517
	7/12/2001	2,500	1,375
	8/1/2001	6,395	3,571
	8/17/2001	31,990	18,128
	12/6/2001	2,275	1,346
	4/19/2002	3,790	2,400
	6/5/2002	9,557	6,132
	10/16/2003	14,990	11,742
	10/21/2003	4,790	3,752
	11/12/2003	1,875	1,484
	12/9/2003	15,998	12,665

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/9/2004	8,597	7,379
	10/1/2004	52,493	45,931
	6/17/2005	7,415	7,106
	9/26/2005	23,697	23,105
	11/9/2005	8,697	8,552
MULTIPLEX EQUIPMENT	1/1/1980	289,636	47,989
	9/2/1982	52,098	0
	6/15/1985	301,913	101,411
	8/23/1990	287,324	0
	3/27/1992	23,189	0
	11/5/1995	10,431	0
	12/31/1997	4,893	979
	1/31/1998	61,581	12,316
	1/25/1999	202,982	60,894
	4/23/1999	56,421	18,337
	8/31/1999	26,291	9,459
	1/28/2000	49,721	24,447
	5/23/2000	44,159	21,711
	12/8/2000	14,583	7,170
	5/3/2001	41,228	21,989
	12/6/2001	1,531,862	906,351
	1/1/2002	51,213	40,116
	10/17/2002	47,959	33,172
	12/2/2002	94,587	65,422
	12/13/2002	160,212	118,638
	1/1/2003	198,973	139,281
	7/1/2003	608,543	456,407
	11/20/2003	155,248	121,611
	12/31/2004	4,820	4,298
	12/6/2005	16,574	16,436
	12/16/2005	16,306	16,171
	12/31/2005	29,940	29,690
OFFICE EQUIPMENT-MECHANICAL	12/31/1974	1,644	0
	1/1/1977	3,730	0
	12/31/1978	3,364	0
	6/13/1981	1,533	0
	3/20/1982	1,132	0
	3/7/1984	3,502	0
	7/20/1985	26,630	0
	3/8/1986	1,680	0
	1/1/1987	1,203	0
	8/4/1987	3,350	0
	5/12/1988	460	0
	5/15/1988	991	0
	8/5/1988	2,452	0
	1/19/1989	1,008	0
	4/17/1989	5,139	0
	5/10/1989	3,405	0
	6/21/1989	2,898	0
	6/30/1989	4,676	0
	11/15/1989	2,569	0
	12/31/1989	14,507	0
	5/9/1990	6,370	0
	5/24/1990	33,289	0
	8/23/1990	39,900	0
	10/2/1990	4,158	0
	11/23/1990	8,781	0

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/1990	0	0
	3/28/1991	3,605	0
	4/2/1991	8,583	0
	5/27/1991	3,949	0
	6/4/1991	3,922	0
	7/5/1991	2,065	0
	7/10/1991	2,695	0
	8/15/1991	4,683	0
	4/21/1992	4,338	0
	5/7/1992	1,348	0
	8/21/1992	6,098	0
	12/4/1992	1,500	0
	5/31/1993	3,470	0
	6/1/1993	4,295	0
	7/28/1993	2,885	0
	8/12/1993	3,575	0
	2/1/1994	2,024	0
	4/21/1994	2,997	0
	5/2/1994	1,170	0
	9/14/1994	11,261	0
	9/22/1994	2,815	0
	12/16/1994	564	0
	2/1/1995	1,320	0
	4/3/1995	2,509	0
	5/19/1995	44,628	0
	6/22/1995	1,913	0
	6/23/1995	2,830	0
	4/22/1996	12,407	0
	6/18/1996	7,899	0
	7/16/1996	1,804	0
	7/29/1996	3,213	0
	10/8/1996	564	0
	11/15/1996	1,693	0
	1/20/1997	29,964	0
	2/26/1997	12,693	0
	4/29/1997	6,268	0
	6/2/1997	42,455	0
	8/15/1997	6,400	1,013
	10/16/1997	4,440	0
	10/29/1997	7,079	1,239
	4/8/1998	3,480	0
	12/31/1998	3,227	0
	1/14/1999	29,374	0
	1/26/1999	724	0
	4/12/1999	14,143	0
	4/28/1999	1,852	0
	5/3/1999	2,258	0
	6/9/1999	3,503	1,123
	6/22/1999	4,895	0
	7/7/1999	8,495	0
	8/16/1999	3,195	0
	11/19/1999	7,504	0
	3/29/2000	2,790	0
	5/17/2000	3,195	0
	5/26/2000	6,570	0
	6/2/2000	22,500	0
	6/5/2000	28,244	0

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/1/2000	9,726	977
	12/28/2000	40,381	0
	12/29/2000	66,076	0
	8/24/2001	56,980	40,202
	9/12/2001	1,691	225
	12/14/2001	38,826	7,118
	12/20/2001	11,995	2,199
	12/30/2001	8,847	1,622
	8/9/2002	108,320	38,651
	10/1/2002	9,917	3,471
	10/23/2002	4,620	1,617
	10/31/2002	1,049	367
	11/27/2002	18,079	6,629
	11/29/2002	33,433	12,259
	12/6/2002	2,600	997
	12/20/2002	22,805	8,742
	3/13/2003	2,896	1,690
	4/23/2003	23,885	10,748
	5/8/2003	10,560	4,928
	6/13/2003	28,986	14,010
	7/3/2003	13,195	6,817
	9/26/2003	1,098	586
	11/18/2003	4,258	2,413
	12/10/2003	97,444	56,842
	3/2/2004	13,584	8,603
	5/26/2004	14,833	9,888
	6/3/2004	3,272	2,236
	11/12/2004	22,020	16,882
	2/24/2005	2,795	2,329
	4/5/2005	4,900	4,325
	6/7/2005	6,814	6,019
OFFICE FURNITURE	7/3/1975	3,356	0
	1/1/1976	4,728	0
	12/31/1978	1,703	0
	6/29/1985	8,039	0
	10/25/1985	1,374	0
	7/1/1986	6,478	0
	4/15/1987	3,930	0
	4/16/1987	3,642	0
	5/1/1987	979	0
	11/1/1987	353,865	0
	1/1/1988	1,189	0
	1/23/1988	2,527	0
	5/12/1988	4,059	0
	5/13/1988	2,034	0
	5/15/1988	408	0
	9/7/1988	54,255	0
	5/11/1989	1,204	0
	7/14/1989	8,664	0
	12/10/1989	11,575	7,852
	12/20/1989	2,373	0
	12/31/1989	2,300,547	0
	2/1/1990	11,559	0
	7/18/1990	1,170	0
	10/5/1990	1,381	0
	10/11/1990	14,345	0
	12/4/1990	5,964	0

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Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/13/1990	3,623	0
	4/24/1991	12,070	0
	8/15/1991	1,258	0
	11/18/1991	3,748	0
	5/19/1992	3,930	0
	7/17/1992	56,023	0
	7/30/1992	16,421	0
	8/26/1992	6,153	0
	9/8/1992	3,777	0
	10/1/1992	9,887	0
	11/15/1992	2,251	0
	12/18/1992	4,606	0
	2/25/1993	16,062	0
	3/6/1993	1,027	0
	4/30/1993	22,635	0
	6/14/1993	1,038	0
	7/9/1993	10,206	0
	9/30/1993	38,111	0
	11/16/1993	8,144	0
	11/30/1993	11,722	0
	12/23/1993	3,182	0
	1/15/1994	5,700	0
	2/2/1994	30,253	0
	2/21/1994	2,058	0
	5/31/1994	6,364	0
	6/17/1994	1,413	0
	7/31/1994	25,574	0
	10/31/1994	3,294	0
	11/30/1994	1,761	0
	1/3/1995	5,792	0
	2/28/1995	44,811	0
	3/9/1995	6,485	0
	5/12/1995	4,468	0
	6/30/1995	27,675	0
	9/25/1995	1,130	0
	10/4/1995	1,500	0
	3/31/1996	4,958	83
	4/30/1996	6,581	165
	7/4/1996	3,231	162
	9/7/1996	5,967	0
	9/17/1996	4,722	315
	10/3/1996	19,877	0
	11/4/1996	4,175	348
	11/30/1996	5,552	463
	6/16/1997	2,543	360
	7/21/1997	9,770	1,465
	10/30/1997	7,595	1,329
	1/26/1998	36,275	7,255
	4/20/1998	9,902	2,228
	4/30/1998	11,582	2,605
	12/11/1998	17,967	5,240
	12/31/1998	3,471	1,041
	1/26/1999	22,604	6,781
	3/12/1999	1,679	532
	3/18/1999	6,718	2,127
	4/12/1999	2,406	782
	5/11/1999	5,079	1,693

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/28/1999	27,267	9,998
	9/30/1999	1,886	691
	11/5/1999	18,523	7,101
	4/14/2000	24,322	10,336
	6/20/2000	8,975	3,964
	6/23/2000	117,000	51,675
	7/12/2000	20,389	9,174
	10/19/2000	5,855	2,781
	12/30/2000	19,591	9,632
	1/24/2001	1,799	900
	5/7/2001	19,233	10,256
	7/13/2001	2,020	1,566
	12/14/2001	1,870	1,106
	4/30/2002	25,689	16,056
	5/6/2002	9,100	5,763
	9/25/2002	11,111	7,407
	12/31/2002	9,749	6,743
	10/20/2003	9,992	7,744
	11/6/2003	6,183	4,844
	9/30/2004	5,652	4,898
	10/7/2004	1,787	1,564
	6/28/2005	6,165	5,806
	9/2/2005	40,775	39,416
	12/31/2005	9,885	9,803
P.C.B. STORAGE CONTAINER	11/30/1991	42,480	12,390
PABX-PRIV. AUTO BRANCH EXCH	8/4/1998	37,492	9,686
	12/21/2000	258,657	127,158
	1/1/2003	84,331	59,032
POLE LINES WOOD (TELECONTROL)	11/30/1980	53,777	0
	11/15/1989	6,490	0
	5/28/1999	4,257	2,838
POLES-WOOD 45'	12/31/2001	625	375
POWER LINE CARRIER EQUIPMENT	1/1/1980	987,698	12,402
	9/25/1982	11,535	0
	2/12/1988	98,531	0
	1/31/1989	7,391	0
	3/9/1989	110,344	0
	12/20/1990	1,997	0
	11/5/1995	427,903	0
	9/7/1996	237,259	13,868
	4/9/1999	21,361	8,366
	12/17/1999	511,111	200,186
	5/23/2000	513,589	252,515
	11/10/2000	654,953	343,508
	10/1/2002	380,180	256,621
	10/8/2002	214,475	144,771
	1/1/2003	185,763	130,034
	9/8/2003	6,703	5,139
	12/31/2003	251,477	199,086
	10/7/2004	287,074	251,190
POWER SYSTEM - BATTERY BANK	1/1/1980	27,708	0
	11/15/1987	11,651	202
	2/28/1989	13,004	0
	3/9/1989	19,315	0
	6/22/1989	21,388	0
	11/30/2001	31,107	18,146
	12/4/2001	4,672	2,764

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/2003	26,477	18,534
	11/20/2003	418,279	327,652
POWER SYSTEM - BATTERY CHARGI	1/1/1980	19,166	502
	12/16/1980	1,357	0
	11/15/1987	18,330	275
	3/9/1989	21,874	0
	6/22/1989	15,929	0
	12/20/1990	26,269	0
PWR SYS-GENERATOR (FUEL ELEC)	11/30/2001	51,193	29,863
POWER SYSTEM - INVERTERS	1/1/1998	2,673	535
PWR SYS-SUPPLY SERV & EQP	1/1/1980	6,538	0
	11/30/1980	3,572	0
	1/1/1988	2,959	0
	3/20/1990	55,139	16,542
	9/20/1990	3,703	0
	12/20/1990	1,870	0
	3/2/1993	4,598	0
	1/15/1999	4,403	1,321
	12/8/2000	5,863	2,883
PRINTERS	4/30/1998	1,903	0
	7/1/1998	3,878	0
	4/23/1999	5,975	0
	6/9/1999	34,729	2,903
	9/24/1999	16,337	0
	10/25/1999	24,929	0
	5/8/2000	10,288	0
	6/12/2000	4,429	0
	6/28/2000	8,991	0
	10/1/2000	15,349	0
	12/20/2000	14,792	0
	12/29/2000	98,056	0
	1/11/2001	1,206	0
	2/13/2001	20,049	0
	2/23/2001	214	0
	3/1/2001	2,426	0
	9/27/2001	11,477	0
	12/31/2001	8,895	0
	9/27/2002	3,400	1,303
	12/2/2002	12,115	4,644
	12/20/2002	22,112	8,476
	3/3/2004	4,176	2,645
	8/3/2004	4,393	3,148
	8/10/2004	2,196	1,574
	8/31/2004	35,616	25,525
	12/31/2004	5,935	4,649
	5/12/2005	18,905	16,385
	5/25/2005	995	862
	7/13/2005	3,450	3,393
	10/6/2005	21,581	21,222
	10/18/2005	3,500	3,442
RADIO TOWERS (WOOD OR STEEL)	1/1/1980	75,430	0
	11/30/1980	1,006,502	0
	1/1/1982	511	0
	3/6/1982	1,024	210
	9/2/1982	129,769	0
	12/23/1982	32,290	0
	1/1/1984	413,696	0

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/23/1990	60,872	0
	12/31/1993	20,348	8,140
	12/6/2001	2,320,579	1,373,010
	11/20/2003	3,673,962	2,935,137
	12/2/2005	191,515	190,717
RADIOS-FIXED MICROWAVE EQP	1/1/1980	142,752	107,064
	10/31/1998	13,588	3,747
	12/6/2001	2,927,352	1,732,017
	1/1/2003	80,291	56,204
	11/20/2003	2,109,071	1,652,103
RADIOS - FIXED UHF EQUIPMENT	12/6/2001	40,640	24,045
	12/13/2002	241,898	167,313
	1/1/2003	24,923	17,446
RADIOS - FIXED VHF EQUIPMENT	1/1/1980	79,787	0
	11/1/1984	29,290	0
	11/26/1990	63,176	0
	5/28/1999	4,032	0
	1/1/2003	44,821	31,374
	7/1/2003	118,245	88,684
	9/13/2004	560	485
RADIOS-FIXED VHF REPEATOR EQP	1/1/1978	8,954	0
	7/3/1978	74,288	0
	1/1/1980	498,481	0
	12/23/1982	32,290	0
	11/1/1984	12,212	0
	8/2/1985	12,971	0
	2/12/1988	69,177	0
	11/26/1990	1,547,530	0
	3/4/1993	27,453	0
	5/28/1998	52,104	0
	5/28/1999	16,127	0
RADIOS - MOBILE VHF BASE STN	4/20/1990	808	0
	8/23/1990	2,118	0
	11/26/1990	118,918	0
	11/22/1993	2,815	0
	4/29/1994	4,285	0
	1/1/1999	2,815	1,126
	7/1/2003	139,383	104,537
RADIOS - MOBILE HF RADIOS	11/5/1995	675	0
	11/18/1999	2,055	801
RADIOS - MOBILE VHF (MOBILE)	7/31/1986	2,910	0
	1/1/1988	2,493	0
	4/20/1990	36,531	0
	5/15/1990	9,333	0
	11/26/1990	767,639	0
	12/17/1990	40,815	0
	6/26/1992	8,345	0
	6/30/1992	5,971	0
	8/18/1992	5,553	0
	10/15/1992	6,020	0
	12/18/1992	6,398	0
	1/6/1993	2,901	0
	4/23/1993	1,481	0
	5/4/1993	8,446	0
	9/29/1993	2,815	0
	11/4/1993	1,413	0
	9/20/1994	2,815	0

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/18/1995	1,603	0
	7/27/1995	2,815	0
	10/25/1995	2,112	0
	10/26/1995	2,815	0
	11/5/1995	6,717	0
	9/7/1996	9,474	602
	12/5/1996	2,815	258
	12/22/1996	4,085	374
	12/31/1996	451	45
	6/20/1997	2,815	399
	8/18/1997	2,608	413
	10/29/1997	3,386	593
	3/3/1998	679	180
	4/30/1998	5,631	1,267
	9/9/1998	1,446	386
	9/28/1998	1,533	409
	10/31/1998	19,708	5,420
	11/30/1998	2,815	0
	2/17/1999	7,410	2,285
	7/20/1999	10,727	3,754
	10/6/1999	11,723	4,396
	12/10/1999	25,965	10,169
	12/30/1999	4,300	1,684
	3/28/2000	3,198	1,333
	7/18/2000	5,123	2,306
	11/9/2000	6,513	3,148
	11/22/2000	1,287	622
	12/8/2000	6,842	3,364
	10/3/2002	1,504	1,015
	11/20/2003	2,815	2,206
	9/22/2004	5,040	4,368
	11/16/2004	8,154	7,203
	12/20/2004	13,590	12,118
RIGHT - OF - WAYS	1/1/1984	16,033	0
	11/24/1989	6,048	1,159
ROADS	6/30/1980	13,434	6,560
	11/30/1980	229,366	0
	8/23/1990	16,552	0
	2/16/1995	6,929	3,147
	12/6/2001	377,357	223,534
ROUTERS & LANS	11/1/1984	1,662	0
	10/2/1990	9,019	0
	12/31/1995	20,673	0
	7/21/1998	40,909	0
	7/24/1998	56,716	0
	6/30/1999	59,351	0
	1/26/2000	49,258	0
	7/1/2000	3,853	0
	12/21/2000	102,398	26,889
	1/10/2001	202,762	26,158
	1/18/2001	7,357	1,349
	6/29/2001	8,917	743
	11/15/2001	967	161
	12/1/2001	637,317	116,841
	12/13/2001	4,701	861
	12/14/2001	36,513	6,694
	7/1/2003	9,695	848

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/19/2003	21,539	11,488
	11/20/2003	110,112	86,254
	12/12/2003	59,531	34,726
	12/31/2003	808,083	471,382
	3/23/2004	2,481	1,571
	9/16/2004	2,610	1,914
	9/24/2004	2,329	1,708
	10/25/2004	422,347	328,895
	10/26/2004	23,295	17,471
	11/8/2004	11,888	9,114
	12/31/2004	303,657	247,717
	1/1/2005	3,853	0
	6/7/2005	21,813	21,450
	7/7/2005	6,416	6,309
	8/15/2005	60,949	59,933
	10/3/2005	18,704	17,768
	12/31/2005	870,549	856,040
RUNNER	10/9/1998	46,688	28,873
SCADA - COMPUTERS (HARDWARE)	1/1/1984	27,140	0
	10/1/1986	188	0
	3/27/1992	50,694	0
SCADA - PRINTERS	10/31/1980	3,898	0
	11/30/1980	3,000	0
	10/1/1986	3,766	0
	4/26/1989	4,587	0
SCADA - REMOTE TERM UNIT (RTU)	1/1/1980	629,060	91,711
	10/1/1986	118,608	0
	11/15/1989	82,235	0
	8/23/1990	5,328	0
	12/19/1990	73,377	0
	12/20/1990	35,426	0
	11/30/1994	286,149	0
	12/8/1994	107,132	0
	11/5/1995	14,286	0
	6/1/1998	12,653	8,752
	9/1/1998	6,327	4,376
	3/11/1999	180,642	73,762
	2/15/2001	67,697	36,105
	3/23/2001	54,244	28,930
	5/31/2001	110,166	58,755
	8/3/2001	97,975	54,703
	8/18/2002	139,308	91,711
	10/30/2002	25,306	17,504
	10/31/2002	6,327	4,376
	12/31/2002	88,571	61,262
	1/1/2003	110,699	77,490
	7/1/2003	98,959	74,220
	11/20/2003	74,510	58,367
	12/6/2003	288,497	228,394
	9/17/2004	247,908	214,854
	10/7/2004	16,366	14,320
	12/7/2004	9,710	8,658
	2/25/2005	203,548	184,889
SERVERS	12/31/1996	20,682	0
	3/31/1999	7,893	0
	6/23/1999	40,122	0
	12/30/1999	41,854	0

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/8/2000	7,514	0
	7/26/2000	23,784	0
	6/29/2001	133,723	11,261
	12/1/2001	87,518	16,045
	12/6/2001	210,685	124,655
	12/13/2001	2,351	431
	12/14/2001	75,560	13,853
	12/19/2001	3,245	595
	12/31/2001	145,661	29,132
	12/7/2002	72,815	27,913
	12/31/2002	316,095	212,916
	12/31/2003	441,004	257,253
	8/12/2004	36,665	26,276
	9/24/2004	77,222	59,207
	10/4/2004	19,332	14,499
	10/8/2004	36,665	27,498
	10/28/2004	24,127	18,095
	11/30/2004	56,864	43,596
	12/3/2004	2,264	1,774
	5/27/2005	2,660	2,305
	11/24/2005	6,735	6,622
	12/31/2005	16,253	15,982
SEWAGE DISPOSAL SYSTEM	12/12/1988	2,698	394
	3/9/1989	7,076	1,120
	3/15/1989	49,360	17,403
	12/15/1995	120,802	10,067
	6/26/1997	4,234	2,780
COMPUTER SOFTWARE	6/8/1992	71,503	0
	10/31/1992	330,186	0
	12/24/1992	19,108	0
	12/31/1992	37,887	0
	12/31/1993	80,974	0
	3/31/1994	16,205	0
	6/30/1994	843,057	0
	12/31/1994	55,718	0
	10/31/1996	198,839	0
	4/30/1998	109,982	0
	9/30/1998	32,396	0
	1/1/1999	7,260,165	0
	3/31/1999	121,056	0
	4/12/1999	29,906	0
	10/31/1999	30,046	0
	12/10/1999	164,790	0
	12/13/1999	170,367	0
	12/31/1999	74,682	0
	5/31/2000	747,448	0
	6/30/2000	40,879	0
	11/27/2000	44,438	0
	12/21/2000	29,230	14,372
	12/30/2000	42,581	0
	6/27/2001	125,108	10,426
	12/14/2001	20,577	3,773
	12/18/2001	6,946	1,274
	12/19/2001	172,929	31,704
	12/31/2002	547,913	210,033
	7/24/2003	105,000	52,500
	12/16/2003	45,428	26,499

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2003	80,573	47,001
	10/21/2004	26,631	19,973
	11/30/2004	63,789	48,905
	12/31/2004	357,208	279,813
	8/10/2005	106,180	77,865
STORAGE PALLETS AND RACKINGS	1/1/1973	7,245	0
	1/1/1984	10,706	0
	12/31/1998	3,697	1,109
SWITCHES(LOAD BREAK & ISO SW)	11/17/2000	4,146	2,004
	12/21/2000	63,841	31,388
	11/30/2001	13,751	8,021
	7/7/2005	17,108	16,823
TELECONTROL MISC EQUIPMENT	1/1/1980	462,845	39,651
	11/1/1984	831	0
	6/15/1985	2,065,777	575,701
	8/2/1985	17,669	0
	10/1/1986	54,864	0
	11/15/1987	45,430	2,517
	8/23/1990	6,739	0
	11/1/1990	17,103	0
	11/26/1990	6,549	0
	12/20/1990	5,435	0
	6/20/1991	15,054	0
	11/14/1991	2,055	0
	5/27/1993	1,179	0
	12/9/1993	2,553	0
	10/10/1995	0	0
	9/7/1996	79,614	4,318
	12/7/1996	125,413	11,496
	11/20/1997	40,621	7,447
	12/12/1997	4,890	937
	12/31/1997	28,957	10,830
	1/31/1998	90,256	18,051
	5/12/1999	8,245	2,748
	6/24/1999	24,090	8,231
	8/31/1999	353,495	79,706
	10/18/1999	326,622	122,483
	9/5/2000	142,436	75,969
	11/17/2000	4,300	2,078
	11/30/2000	17,114	8,272
	12/8/2000	39,561	19,451
	3/29/2001	10,569	6,165
	5/31/2001	10,174	5,426
	7/23/2001	4,160	417
	8/3/2001	24,591	13,730
	9/19/2001	77,946	45,468
	10/1/2001	4,303	2,474
	12/6/2001	15,424	9,126
	12/13/2001	90,309	53,433
	12/19/2001	37,756	22,339
	12/21/2001	26,189	15,495
	10/17/2002	202,037	149,845
	12/16/2002	34,417	23,805
	1/1/2003	105,394	73,776
	1/3/2003	3,900	2,730
	6/3/2003	3,672	2,723
	6/30/2003	29,362	21,777

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Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/1/2003	342,731	257,048
	9/8/2003	2,011	1,542
	9/12/2003	57,203	43,855
	11/20/2003	280,737	219,911
	9/16/2004	10,168	7,457
	9/17/2004	10,282	8,911
	10/7/2004	48,923	42,808
	12/20/2004	19,355	17,258
	12/31/2004	25,152	22,427
	6/6/2005	2,656	2,501
	10/31/2005	48,527	47,314
TELE-PROTECTION EQUIPMENT	9/15/1976	3,746	0
	1/1/1980	165,001	0
	10/10/1987	24,408	2,136
	11/15/1987	37,178	2,898
	3/9/1989	49,151	0
	11/5/1995	16,853	0
	12/6/2001	340,857	201,674
	1/1/2003	37,431	26,202
	7/1/2003	181,816	136,362
	9/5/2003	104,238	79,915
	11/27/2003	45,913	36,348
	12/12/2003	103,211	81,708
	12/24/2003	92,944	73,580
	12/31/2003	121,437	96,138
	12/31/2005	14,435	14,315
TELEPHONE APPARATUS	1/1/1971	6,881	860
	9/15/1976	3,449	0
	9/6/1978	180	0
	1/1/1980	208,559	0
	11/30/1980	2,219	0
	12/16/1980	850	0
	7/10/1982	17,629	0
	9/2/1982	16,196	0
	9/25/1982	7,898	0
	1/21/1983	1,031	0
	1/1/1984	21,873	0
	6/15/1985	4,011	0
	11/15/1987	12,963	721
	2/12/1988	7,151	0
	4/28/1988	10,177	0
	3/9/1989	5,780	0
	4/30/1990	4,526	0
	6/4/1990	17,309	0
	8/23/1990	83,936	0
	3/27/1992	1,243	0
	10/7/1992	1,589	0
	5/27/1993	15,794	0
	9/15/1994	9,313	0
	2/27/1995	90,377	0
	4/5/1995	47,502	0
	10/10/1995	494,431	0
	11/5/1995	9,616	0
	12/12/1997	206,810	39,643
	12/31/1997	3,491	698
	1/1/1998	38,969	7,794
	1/1/2000	8,059	0

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/9/2000	6,072	2,783
	8/3/2001	2,255	1,259
	10/1/2001	18,377	10,567
	7/1/2003	1,174	641
	12/14/2004	76,444	68,182
TEST EQUIPMENT - GENERAL	12/1/1970	15,187	0
	4/2/1971	5,000	0
	7/2/1971	28,831	0
	12/31/1974	5,774	0
	12/1/1975	6,193	0
	6/30/1976	1,590	0
	7/3/1977	8,403	0
	1/1/1978	34,336	0
	7/3/1978	6,888	0
	6/30/1980	4,158	0
	5/29/1981	2,453	0
	10/16/1981	16,367	0
	12/15/1981	8,805	0
	4/27/1982	27,742	0
	5/26/1982	7,426	0
	5/28/1982	5,753	0
	8/18/1982	3,560	0
	10/22/1982	3,736	0
	11/10/1982	18,543	0
	3/1/1983	7,005	0
	3/8/1983	1,261	0
	4/26/1983	4,491	0
	5/10/1983	4,855	0
	6/1/1983	3,297	0
	7/5/1983	4,465	0
	8/13/1983	4,428	0
	10/21/1983	1,402	0
	11/24/1983	3,672	0
	8/1/1984	3,098	0
	9/1/1984	15,160	0
	10/1/1984	16,176	0
	12/13/1984	1,062	0
	3/2/1985	973	0
	5/23/1985	3,297	0
	6/1/1985	15,553	0
	9/20/1985	7,626	0
	11/21/1985	43,390	0
	12/21/1985	4,154	0
	1/1/1986	4,273	0
	2/19/1986	663	0
	4/3/1986	4,021	0
	4/10/1986	3,483	0
	7/1/1986	61,784	0
	7/22/1986	4,104	0
	10/18/1986	4,830	0
	11/29/1986	6,430	0
	1/1/1987	25,607	0
	5/2/1987	2,014	0
	6/10/1987	3,643	0
	6/16/1987	3,125	0
	7/25/1987	102,227	0
	8/25/1987	11,691	0

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Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	9/17/1987	1,977	0
	9/19/1987	54,467	0
	10/6/1987	15,707	0
	10/31/1987	3,027	0
	11/15/1987	8,590	0
	12/1/1987	2,246	0
	12/2/1987	8,186	0
	1/1/1988	14,569	0
	2/15/1988	6,742	0
	6/13/1988	7,257	0
	7/31/1988	23,361	0
	9/16/1988	33,712	0
	10/25/1988	6,620	0
	1/1/1989	57,581	0
	2/1/1989	9,308	0
	3/9/1989	3,102	0
	3/15/1989	0	0
	6/21/1989	4,984	0
	6/23/1989	67,830	0
	6/30/1989	4,069	0
	7/4/1989	19,029	0
	8/1/1989	22,132	0
	8/24/1989	6,229	0
	9/7/1989	3,099	0
	10/16/1989	4,167	0
	11/19/1989	29,288	0
	2/12/1990	1,229	0
	7/10/1990	44,435	0
	7/19/1990	10,065	0
	8/7/1990	6,903	0
	8/23/1990	16,631	0
	8/28/1990	37,609	0
	12/31/1990	0	0
	5/15/1991	8,463	0
	5/24/1991	4,725	0
	6/7/1991	2,696	0
	6/30/1991	1,500	0
	8/16/1991	5,552	0
	11/7/1991	1,406	0
	4/2/1992	6,698	0
	5/17/1992	4,762	0
	6/9/1992	10,483	0
	6/10/1992	1,755	0
	8/27/1992	7,439	0
	9/25/1992	73,589	0
	10/13/1992	6,779	0
	4/23/1993	1,741	0
	5/14/1993	21,937	0
	8/11/1993	1,693	0
	9/9/1993	1,387	0
	9/11/1993	1,665	0
	9/15/1993	8,535	0
	9/16/1993	8,828	0
	10/21/1993	74,368	0
	11/26/1993	1,281	0
	5/10/1994	25,543	0
	5/18/1994	2,821	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/1/1994	2,962	0
	11/3/1994	5,123	0
	4/21/1995	0	0
	5/4/1995	7,278	0
	5/8/1995	1,243	0
	5/25/1995	8,040	0
	6/27/1995	6,311	0
	7/11/1995	9,078	0
	10/11/1995	33,768	0
	4/8/1996	1,562	39
	6/6/1996	31,499	1,312
	8/8/1996	39,427	0
	9/12/1996	14,150	943
	6/11/1997	19,169	2,716
	6/26/1997	9,680	1,371
	10/9/1997	15,671	2,742
	6/30/1998	9,180	0
	12/21/1998	8,550	0
	12/31/1998	96,230	0
	6/25/1999	1,800	615
	3/14/2000	2,360	983
	8/1/2000	11,690	0
	7/31/2004	4,724	3,307
	8/15/2005	56,273	51,583
TEST EQUIPMENT - TELECONTROL	7/2/1971	709	0
	7/3/1977	1,411	0
	2/1/1979	11,487	0
	1/1/1980	64,170	0
	5/1/1980	9,163	0
	11/30/1980	22,106	0
	12/16/1980	14,457	0
	6/11/1981	1,201	0
	10/2/1981	3,512	0
	10/16/1981	6,921	0
	12/15/1981	6,222	0
	7/10/1982	9,552	0
	9/25/1982	2,320	0
	12/24/1982	6,688	0
	12/2/1983	14,202	0
	1/1/1984	10,213	0
	1/7/1984	588	0
	11/1/1984	2,759	0
	10/1/1986	4,655	0
	11/11/1987	7,660	0
	11/15/1987	1,621	150
	11/29/1988	3,627	0
	12/1/1988	1,674	0
	4/28/1989	19,667	0
	4/12/1990	24,956	0
	7/13/1990	9,648	0
	8/31/1990	29,529	0
	11/23/1990	19,468	0
	6/20/1991	4,743	0
	7/10/1991	3,552	0
	7/31/1991	4,039	0
	3/2/1993	3,476	0
	5/12/1994	2,624	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/30/1994	9,538	0
	4/17/1995	1,382	0
	11/5/1995	5,818	0
	12/11/1995	33,787	0
	7/12/1996	21,592	0
	9/7/1996	77,445	4,346
	12/11/1996	1,010	93
	9/30/1997	15,979	2,663
	3/18/1998	42,768	9,979
	5/8/1998	6,915	0
	9/9/1998	34,194	2,160
	3/14/1999	19,500	0
	4/9/1999	40,924	14,664
	12/23/1999	4,423	0
	1/15/2000	4,214	0
	3/17/2000	13,244	5,518
	7/17/2000	11,719	5,273
	8/8/2000	15,010	0
	8/15/2000	62,863	29,336
	2/12/2001	72,136	1,202
	3/29/2001	11,999	6,999
	12/19/2001	12,795	7,570
	12/20/2001	32,920	19,478
	11/20/2003	16,310	12,776
	3/10/2004	32,612	21,741
	3/11/2004	3,073	2,049
	5/13/2004	3,188	2,125
	5/27/2004	9,351	6,234
	10/7/2004	16,203	12,152
	3/28/2005	14,279	12,332
	5/4/2005	33,621	29,464
TOOL'S & EQUIPMENT - GENERAL	10/15/1968	37,081	6,798
	11/30/1970	1,271	0
	12/1/1970	1,029	0
	7/2/1971	1,011	0
	1/1/1975	20,797	0
	7/3/1975	9,433	0
	12/1/1975	38,663	0
	7/2/1977	6,655	0
	7/3/1977	18,253	0
	7/1/1978	1,318	0
	7/3/1978	15,979	0
	12/31/1978	18,592	0
	6/1/1979	2,152	0
	7/3/1979	8,364	0
	6/12/1980	1,786	0
	6/30/1980	41,135	0
	7/15/1980	2,712	0
	9/9/1980	2,769	0
	10/27/1980	1,920	0
	1/1/1981	4,512	0
	2/27/1981	2,422	0
	3/20/1981	2,917	0
	4/1/1981	2,209	0
	5/4/1981	27,564	0
	5/25/1981	3,939	0
	6/1/1981	2,713	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	6/15/1981	2,551	0
	6/23/1981	5,470	0
	6/24/1981	5,080	0
	8/12/1981	2,403	0
	8/15/1981	1,665	0
	8/25/1981	2,320	0
	8/28/1981	2,105	0
	9/1/1981	3,139	0
	10/9/1981	4,634	0
	10/22/1981	2,248	0
	11/5/1981	10,464	0
	11/7/1981	955	0
	11/16/1981	3,037	0
	1/1/1982	2,272	0
	1/27/1982	2,147	0
	5/1/1982	4,489	0
	5/5/1982	1,692	0
	6/1/1982	5,172	0
	9/15/1982	2,038	0
	10/13/1982	2,855	0
	11/1/1982	13,723	0
	1/19/1983	1,219	0
	1/21/1983	4,939	0
	3/1/1983	780	0
	4/28/1983	2,767	0
	6/7/1983	2,941	0
	7/5/1983	4,217	0
	7/17/1983	18,372	0
	7/22/1983	5,594	0
	8/13/1983	26,431	0
	8/22/1983	2,536	0
	10/1/1983	1,526	0
	11/1/1983	7,049	0
	2/22/1984	3,858	0
	5/1/1984	6,779	0
	6/11/1984	4,459	0
	7/21/1984	15,699	0
	8/14/1984	3,719	0
	9/11/1984	9,385	0
	11/1/1984	4,636	0
	1/1/1985	703	0
	1/26/1985	6,328	0
	4/1/1985	4,473	0
	4/5/1985	2,477	0
	4/10/1985	7,188	0
	5/25/1985	2,240	0
	7/1/1985	27,637	0
	7/5/1985	1,873	0
	7/9/1985	4,584	0
	8/2/1985	30,880	0
	10/21/1985	5,744	0
	11/29/1985	27,759	0
	12/18/1985	5,589	0
	1/5/1986	36,641	0
	3/6/1986	1,277	0
	5/6/1986	4,942	0
	5/9/1986	4,488	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/1/1986	23,687	0
	7/2/1986	2,008	0
	7/22/1986	35,290	0
	7/24/1986	3,788	0
	8/4/1986	5,811	0
	8/29/1986	14,964	0
	9/1/1986	9,950	0
	9/3/1986	367	0
	11/20/1986	33,922	0
	1/1/1987	26,740	0
	4/1/1987	9,247	0
	4/9/1987	8,603	0
	4/16/1987	2,319	0
	4/24/1987	4,221	0
	4/27/1987	4,220	0
	5/15/1987	7,207	0
	5/16/1987	31,587	0
	6/20/1987	2,895	0
	7/22/1987	2,513	0
	8/1/1987	742	0
	8/18/1987	2,490	0
	8/27/1987	1,712	0
	10/1/1987	12,431	0
	10/24/1987	2,416	0
	10/28/1987	1,424	0
	11/17/1987	1,608	0
	12/1/1987	7,429	0
	12/17/1987	1,496	0
	2/8/1988	2,287	0
	3/22/1988	3,397	0
	3/31/1988	1,399	0
	4/13/1988	6,041	0
	4/14/1988	6,041	0
	5/11/1988	2,064	0
	5/26/1988	6,360	0
	6/7/1988	3,980	0
	6/14/1988	2,657	0
	6/15/1988	24,958	0
	6/30/1988	16,108	0
	7/4/1988	5,205	0
	7/14/1988	3,075	0
	8/4/1988	2,173	0
	8/15/1988	7,837	0
	10/31/1988	16,923	0
	11/9/1988	6,132	0
	11/10/1988	1,266	0
	11/17/1988	3,651	0
	11/25/1988	30,385	0
	12/5/1988	15,517	0
	12/13/1988	5,893	0
	1/1/1989	0	0
	1/11/1989	13,704	0
	3/2/1989	5,128	0
	3/9/1989	4,463	0
	3/15/1989	15,000	0
	3/21/1989	6,351	0
	3/25/1989	28,648	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	3/31/1989	3,372	0
	4/13/1989	2,788	0
	4/28/1989	1,672	0
	5/11/1989	9,000	0
	5/16/1989	2,443	0
	6/12/1989	58,128	0
	6/30/1989	22,085	0
	7/24/1989	36,587	0
	7/31/1989	8,000	0
	8/1/1989	2,226	0
	8/28/1989	5,590	0
	10/12/1989	17,969	0
	10/16/1989	12,063	0
	11/15/1989	41,511	0
	11/16/1989	2,315	0
	12/20/1989	3,756	0
	12/31/1989	0	0
	1/11/1990	17,278	0
	1/19/1990	24,881	0
	3/12/1990	5,308	0
	4/12/1990	3,058	0
	5/15/1990	5,040	0
	5/22/1990	7,558	0
	6/5/1990	2,184	0
	6/28/1990	1,114	0
	7/10/1990	11,676	0
	8/23/1990	60,572	0
	10/5/1990	2,775	0
	10/11/1990	1,753	0
	10/24/1990	1,885	0
	11/1/1990	12,197	0
	11/26/1990	32,984	0
	11/28/1990	11,341	0
	12/14/1990	10,975	0
	12/20/1990	9,867	0
	12/31/1990	3,164	0
	1/24/1991	2,144	0
	3/27/1991	2,645	0
	4/17/1991	2,391	0
	4/23/1991	1,918	0
	5/13/1991	8,173	0
	5/15/1991	8,136	0
	5/16/1991	2,065	0
	5/17/1991	4,852	0
	5/31/1991	12,847	0
	6/7/1991	2,742	0
	6/11/1991	3,569	0
	6/14/1991	4,057	0
	6/17/1991	3,758	0
	6/18/1991	3,758	0
	6/23/1991	28,495	0
	6/28/1991	31,803	0
	6/30/1991	3,016	0
	7/1/1991	51,126	0
	7/8/1991	3,064	0
	7/23/1991	3,075	0
	8/5/1991	3,167	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/16/1991	6,252	0
	8/20/1991	23,377	0
	8/22/1991	5,985	0
	8/27/1991	16,610	0
	9/20/1991	17,579	0
	9/24/1991	4,130	0
	10/7/1991	8,938	0
	10/16/1991	9,669	0
	10/24/1991	2,713	0
	11/13/1991	6,874	0
	11/18/1991	18,761	0
	12/6/1991	12,174	0
	12/11/1991	4,652	0
	12/13/1991	4,652	0
	12/16/1991	2,979	0
	12/23/1991	3,048	0
	1/13/1992	1,136	0
	2/19/1992	3,335	0
	3/30/1992	9,291	0
	4/1/1992	2,364	0
	4/7/1992	5,531	0
	4/15/1992	16,056	0
	4/29/1992	4,373	0
	5/14/1992	1,555	0
	5/21/1992	2,313	0
	5/28/1992	4,232	0
	6/1/1992	3,828	0
	6/10/1992	1,354	0
	6/16/1992	63,596	0
	6/24/1992	1,749	0
	7/3/1992	5,573	0
	7/14/1992	2,449	0
	7/17/1992	1,273	0
	7/28/1992	3,684	0
	7/30/1992	11,273	0
	8/6/1992	5,636	0
	8/16/1992	8,689	0
	8/19/1992	4,232	0
	9/15/1992	14,686	0
	9/25/1992	16,311	0
	9/30/1992	40,370	0
	10/7/1992	2,669	0
	10/20/1992	5,267	0
	10/22/1992	14,434	0
	10/26/1992	17,434	0
	11/3/1992	16,148	0
	11/6/1992	10,848	0
	11/17/1992	1,123	0
	12/7/1992	15,985	0
	12/9/1992	1,719	0
	12/15/1992	1,496	0
	4/16/1993	1,606	0
	4/19/1993	3,862	0
	5/5/1993	8,869	0
	5/13/1993	3,210	0
	5/14/1993	10,969	0
	5/18/1993	13,178	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/26/1993	1,224	0
	6/15/1993	1,444	0
	6/22/1993	4,797	0
	6/25/1993	1,975	0
	6/28/1993	2,020	0
	6/29/1993	1,100	0
	7/6/1993	13,708	0
	7/14/1993	1,823	0
	7/15/1993	1,111	0
	7/19/1993	3,119	0
	7/26/1993	1,896	0
	7/27/1993	6,825	0
	8/2/1993	7,670	0
	8/6/1993	2,942	0
	9/2/1993	1,485	0
	9/10/1993	2,300	0
	9/16/1993	1,918	0
	9/20/1993	1,625	0
	9/22/1993	1,038	0
	11/2/1993	2,661	0
	11/9/1993	1,267	0
	11/15/1993	44,787	0
	11/19/1993	1,290	0
	11/23/1993	10,281	0
	11/29/1993	5,755	0
	12/20/1993	18,985	0
	12/23/1993	5,600	0
	3/17/1994	2,629	0
	4/9/1994	3,831	0
	4/21/1994	1,903	0
	4/26/1994	4,289	0
	4/28/1994	2,360	0
	5/6/1994	26,421	0
	5/11/1994	7,053	0
	5/12/1994	2,398	0
	5/17/1994	4,488	0
	5/19/1994	2,501	0
	5/20/1994	12,689	0
	6/9/1994	2,099	0
	6/14/1994	6,836	0
	6/28/1994	1,456	0
	6/30/1994	3,646	0
	7/13/1994	5,281	0
	7/14/1994	4,062	0
	7/31/1994	17,788	0
	8/3/1994	2,773	0
	8/24/1994	10,268	0
	9/1/1994	4,694	0
	9/8/1994	2,990	0
	9/22/1994	6,009	0
	9/30/1994	21,469	0
	10/18/1994	4,383	0
	11/1/1994	3,656	0
	11/7/1994	1,185	0
	11/14/1994	3,696	0
	11/22/1994	4,463	0
	11/23/1994	3,923	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/12/1994	4,289	0
	12/15/1994	5,868	0
	12/19/1994	5,719	0
	12/31/1994	1,347	0
	1/13/1995	1,541	0
	2/3/1995	2,583	0
	2/16/1995	12,279	0
	3/22/1995	1,108	0
	3/29/1995	1,048	0
	3/31/1995	411	0
	4/6/1995	2,444	0
	4/11/1995	2,444	0
	4/20/1995	6,844	0
	4/21/1995	1,362	0
	4/26/1995	2,985	0
	5/1/1995	7,602	0
	5/10/1995	4,527	0
	5/12/1995	2,093	0
	5/16/1995	5,991	0
	5/17/1995	4,673	0
	5/19/1995	2,251	0
	5/31/1995	15,167	0
	6/7/1995	1,177	0
	6/9/1995	14,299	0
	6/12/1995	7,646	0
	6/15/1995	42,106	0
	6/20/1995	7,597	0
	6/27/1995	1,504	0
	7/3/1995	9,298	0
	7/4/1995	2,993	0
	7/7/1995	19,366	0
	7/12/1995	13,506	0
	7/31/1995	23,719	0
	8/15/1995	8,770	0
	8/22/1995	7,722	0
	8/30/1995	23,603	0
	9/6/1995	1,082	0
	10/1/1995	3,081	0
	10/20/1995	2,759	0
	11/3/1995	6,947	0
	11/10/1995	7,893	0
	11/23/1995	1,743	0
	11/30/1995	2,815	0
	12/7/1995	2,646	0
	12/31/1995	24,484	0
	1/1/1996	0	0
	1/19/1996	7,064	0
	2/15/1996	2,838	24
	3/1/1996	2,889	0
	3/25/1996	3,897	0
	4/1/1996	4,846	0
	4/18/1996	3,896	0
	4/25/1996	3,787	0
	4/26/1996	1,476	0
	5/2/1996	1,760	0
	5/10/1996	7,165	0
	5/22/1996	2,801	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/24/1996	1,275	0
	5/27/1996	1,411	776
	5/29/1996	3,055	102
	6/6/1996	2,867	0
	6/11/1996	1,399	58
	7/4/1996	2,556	0
	7/11/1996	11,745	0
	7/17/1996	1,843	0
	7/30/1996	5,969	0
	8/9/1996	50,105	0
	8/12/1996	1,680	0
	8/15/1996	1,116	0
	8/20/1996	3,419	0
	9/12/1996	14,150	943
	9/16/1996	7,199	0
	9/17/1996	35,109	18,725
	10/8/1996	1,285	0
	10/31/1996	30,074	0
	11/1/1996	13,089	1,091
	12/5/1996	4,508	0
	12/8/1996	69,946	0
	12/13/1996	4,082	233
	2/13/1997	96,749	0
	3/17/1997	2,539	0
	4/25/1997	7,890	0
	6/10/1997	4,782	0
	6/25/1997	3,839	544
	7/11/1997	3,330	0
	7/29/1997	13,935	0
	8/9/1997	60,882	47,362
	9/8/1997	5,446	0
	9/9/1997	4,895	0
	10/3/1997	2,723	0
	10/22/1997	4,944	0
	12/9/1997	89,354	0
	12/31/1997	241,253	2,806
	2/14/1998	2,929	0
	4/12/1998	9,500	0
	4/17/1998	6,195	0
	5/26/1998	4,606	0
	5/29/1998	3,900	0
	6/30/1998	6,583	0
	7/7/1998	3,800	0
	7/27/1998	11,385	0
	7/31/1998	94,257	27,825
	8/3/1998	3,915	0
	9/14/1998	6,419	0
	11/30/1998	41,928	673
	12/31/1998	32,421	0
	1/11/1999	4,956	1,487
	1/20/1999	9,636	2,891
	1/28/1999	30,242	9,073
	2/4/1999	1,099	339
	2/8/1999	6,325	1,950
	2/11/1999	13,507	4,534
	2/28/1999	92,600	0
	3/29/1999	3,700	1,172

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	4/12/1999	12,265	0
	4/16/1999	3,531	1,054
	4/19/1999	48,500	0
	4/21/1999	111,225	73,686
	4/23/1999	8,985	2,920
	4/29/1999	29,500	9,588
	5/4/1999	1,144	0
	5/11/1999	2,184	0
	5/18/1999	8,491	2,628
	5/20/1999	3,300	0
	5/26/1999	8,420	2,134
	6/1/1999	1,650	0
	6/3/1999	4,595	1,473
	6/7/1999	5,150	1,650
	6/11/1999	3,654	0
	6/18/1999	4,650	1,490
	7/7/1999	11,980	0
	7/9/1999	9,290	3,081
	7/19/1999	9,470	0
	7/28/1999	3,695	0
	7/29/1999	6,950	4,691
	8/8/1999	410	261
	8/12/1999	1,750	627
	8/20/1999	0	0
	9/15/1999	5,086	0
	10/4/1999	0	0
	11/4/1999	1,447	555
	11/16/1999	8,700	0
	11/23/1999	1,764	664
	11/25/1999	3,841	724
	11/30/1999	998	376
	12/1/1999	18,076	4,457
	12/6/1999	11,925	4,631
	12/7/1999	47,446	3,381
	12/9/1999	50,542	8,910
	12/15/1999	5,500	0
	12/16/1999	9,581	3,462
	12/22/1999	9,106	0
	12/29/1999	59,362	0
	2/4/2000	4,395	0
	3/16/2000	6,672	0
	3/23/2000	5,885	0
	3/28/2000	119,488	0
	3/30/2000	1,977	824
	5/2/2000	4,686	0
	5/8/2000	10,446	4,526
	5/16/2000	4,990	2,162
	5/31/2000	1,715	0
	6/19/2000	5,194	1,897
	6/20/2000	1,295	0
	6/21/2000	5,964	0
	6/27/2000	13,435	0
	6/29/2000	3,678	0
	6/30/2000	8,525	0
	7/4/2000	11,421	0
	7/18/2000	1,795	0
	8/1/2000	19,413	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/8/2000	7,505	0
	8/9/2000	3,937	0
	8/31/2000	3,469	0
	9/5/2000	1,527	0
	9/12/2000	1,925	0
	9/14/2000	10,299	0
	10/1/2000	1,143	95
	10/2/2000	2,330	0
	10/17/2000	3,540	0
	10/19/2000	3,375	0
	11/9/2000	11,620	0
	12/8/2000	51,147	0
	12/11/2000	12,680	0
	12/12/2000	7,990	5,959
	12/29/2000	4,675	0
	1/1/2001	6,610	0
	1/18/2001	30,763	0
	2/6/2001	2,894	48
	2/12/2001	15,831	264
	2/13/2001	14,165	236
	3/12/2001	4,155	139
	4/2/2001	15,000	7,875
	4/6/2001	2,199	110
	4/10/2001	4,025	201
	4/19/2001	1,960	1,029
	5/1/2001	4,360	2,325
	5/2/2001	3,750	250
	5/17/2001	2,130	142
	5/18/2001	4,155	277
	5/29/2001	2,760	184
	5/31/2001	0	0
	6/8/2001	8,958	747
	6/14/2001	4,992	2,704
	6/21/2001	2,700	225
	7/4/2001	3,595	359
	7/5/2001	22,344	2,234
	7/12/2001	4,000	2,200
	8/1/2001	7,870	918
	8/22/2001	4,526	528
	8/28/2001	6,996	816
	10/16/2001	4,112	617
	10/18/2001	5,489	823
	10/31/2001	10,638	1,596
	11/20/2001	7,009	1,168
	11/30/2001	10,168	5,931
	12/18/2001	7,420	1,360
	12/21/2001	3,957	725
	4/12/2002	6,127	3,829
	4/25/2002	3,950	2,469
	4/26/2002	3,960	2,475
	6/1/2002	1,811	513
	6/3/2002	8,390	4,706
	6/7/2002	10,154	6,516
	6/12/2002	13,900	8,919
	6/28/2002	6,995	4,489
	7/10/2002	3,714	1,114
	7/24/2002	3,390	2,204

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/25/2002	8,030	5,219
	7/26/2002	5,555	3,611
	8/22/2002	6,291	2,386
	9/12/2002	3,501	2,334
	10/4/2002	6,127	4,136
	10/15/2002	9,260	6,251
	10/23/2002	6,344	2,221
	11/6/2002	2,699	1,844
	12/6/2002	2,729	1,888
	12/18/2002	4,070	2,815
	12/23/2002	24,373	16,858
	12/28/2002	3,336	2,307
	12/30/2002	34,262	23,698
	12/31/2002	159,045	110,006
	3/17/2003	52,414	22,713
	4/7/2003	5,384	2,423
	4/8/2003	13,990	6,295
	4/23/2003	1,963	883
	5/5/2003	15,697	7,775
	5/20/2003	13,367	6,238
	5/21/2003	2,210	1,031
	5/29/2003	40,917	20,136
	6/5/2003	2,130	1,030
	6/30/2003	4,658	3,455
	7/1/2003	18,218	9,953
	7/8/2003	1,365	682
	7/11/2003	1,728	864
	7/22/2003	27,605	13,803
	8/3/2003	1,963	1,014
	8/15/2003	3,512	1,815
	8/20/2003	11,973	9,079
	8/28/2003	8,945	6,783
	9/2/2003	5,830	3,110
	9/3/2003	1,535	819
	9/22/2003	2,575	1,373
	10/3/2003	11,830	9,168
	10/29/2003	17,777	10,681
	10/30/2003	1,681	925
	11/3/2003	3,290	2,577
	11/4/2003	1,700	1,332
	11/7/2003	6,245	4,892
	11/30/2003	14,999	11,749
	12/3/2003	2,728	2,160
	12/4/2003	8,280	4,830
	12/29/2003	2,750	1,604
	12/30/2003	5,031	3,983
	12/31/2003	127,367	84,534
	1/5/2004	38,764	25,254
	2/2/2004	3,215	2,090
	2/9/2004	14,669	9,046
	3/1/2004	15,455	10,819
	3/4/2004	14,676	9,295
	3/12/2004	1,525	1,245
	3/24/2004	2,125	1,735
	4/4/2004	1,943	1,603
	6/1/2004	1,861	1,566
	7/23/2004	33,054	28,096

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/24/2004	3,695	2,648
	8/31/2004	7,562	5,419
	9/10/2004	22,380	16,412
	10/22/2004	17,798	13,349
	11/1/2004	5,702	4,372
	11/16/2004	5,800	5,123
	11/30/2004	13,540	10,380
	12/8/2004	20,269	18,073
	12/14/2004	3,134	2,794
	12/22/2004	7,115	5,573
	4/5/2005	3,447	2,930
	4/26/2005	10,900	9,265
	5/5/2005	7,218	6,411
	5/9/2005	40,890	35,438
	5/16/2005	9,254	8,020
	5/26/2005	16,179	14,022
	6/9/2005	2,568	2,269
	6/15/2005	4,240	3,745
	6/16/2005	3,768	3,328
	6/17/2005	17,065	15,075
	6/27/2005	27,500	24,292
	7/15/2005	1,251	1,126
	8/10/2005	4,085	3,745
	8/12/2005	7,525	6,898
	8/15/2005	168,864	154,792
	9/27/2005	10,557	9,853
	10/14/2005	2,975	2,827
	11/4/2005	1,245	1,204
	11/23/2005	11,859	11,661
	12/1/2005	2,628	2,584
	12/2/2005	6,460	6,352
	12/8/2005	4,194	4,124
	12/14/2005	7,488	7,363
	12/15/2005	5,385	5,295
	12/29/2005	8,346	8,206
	12/31/2005	44,461	43,720
TOWERS - METAL GUYED	11/30/1980	144,323	0
	7/1/2003	809,849	708,618
TRANSFORMERS-OTHER	11/30/1998	5,290	1,499
TRANSFORMERS - POTENTIAL	11/30/1998	6,575	1,866
	12/17/1999	38,535	15,093
UNDERGROUND STORAGE TANKS	7/2/1977	16,591	7,134
VEHICLES - 1/2 TON PICK-UPS	12/17/1997	18,961	0
	1/9/1998	22,549	0
	6/1/1998	63,112	0
	12/3/1998	20,810	0
	1/1/2000	20,642	0
	1/19/2000	65,779	0
	2/10/2000	44,837	0
	8/22/2000	155,805	0
	8/25/2000	25,443	0
	9/20/2000	22,415	0
	10/19/2000	29,329	0
	5/2/2001	26,163	0
	6/21/2001	65,076	0
	6/28/2001	29,972	8,500
	6/29/2001	21,692	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	7/12/2001	34,521	13,386
	7/13/2001	25,362	0
	8/14/2001	26,023	0
	4/18/2002	30,195	11,215
	6/6/2002	31,039	8,794
	7/11/2002	58,790	25,312
	7/25/2002	30,405	13,091
	9/17/2002	70,252	32,199
	10/2/2002	84,812	36,024
	10/15/2002	23,417	10,733
	7/1/2003	17,260	6,693
	8/3/2004	28,841	22,031
	5/16/2005	36,788	33,211
VEHICLES - 1/4 TON PICK-UPS	1/4/2000	20,060	0
	11/2/2000	21,275	0
	5/2/2001	15,328	5,332
	6/11/2001	19,795	0
	6/29/2001	19,976	0
	6/10/2003	19,485	11,366
	6/11/2003	38,970	22,732
	7/7/2003	23,658	13,801
	8/9/2004	94,405	72,114
	8/13/2004	47,004	35,906
	4/12/2005	117,746	103,377
	4/15/2005	52,497	45,935
	4/29/2005	52,612	46,036
VEHICLES - 3/4 TON PICK-UPS	10/13/1998	28,620	0
	1/6/2000	26,807	0
	8/15/2000	27,876	0
	10/17/2000	25,317	0
	11/20/2000	163,557	0
	6/6/2001	31,530	0
	7/18/2001	31,530	0
	7/20/2001	27,053	0
	8/15/2001	24,193	0
	11/27/2002	67,383	32,756
	9/16/2003	35,769	22,356
	6/10/2004	62,388	45,925
	6/10/2005	33,782	30,498
VEHICLES - BOOMS & CRANES	6/1/1980	152,170	0
	8/14/1981	44,189	0
	3/26/1986	61,964	0
	4/1/1987	95,495	0
	9/26/1987	67,841	0
	12/22/1988	17,025	0
	6/13/1989	64,829	0
	2/20/1990	65,975	0
	6/1/1990	22,000	0
	9/10/1990	22,285	0
	8/26/1991	17,163	0
	6/1/1992	18,932	0
	9/17/1993	25,142	0
	3/31/1994	91,118	0
	4/4/1994	78,686	0
	6/1/1994	36,000	0
	1/25/1995	18,000	0
	2/1/1995	80,885	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/9/1995	81,200	0
	2/16/1995	80,885	0
	9/19/1995	18,000	0
	3/5/1997	40,000	0
	3/6/1997	20,000	0
	5/12/1997	81,200	0
	6/1/1997	23,000	6,325
	11/26/1997	60,000	0
	4/23/1999	63,016	0
	1/17/2000	23,800	0
	2/23/2000	34,246	0
	5/29/2000	23,000	0
	8/23/2000	105,776	0
	9/22/2000	105,889	0
	4/26/2001	34,000	1,700
	5/2/2002	37,613	10,030
	7/19/2002	47,917	15,174
	11/19/2002	48,265	18,501
	5/12/2003	241,265	116,612
	6/9/2004	98,000	66,967
	9/1/2004	392,000	287,467
	12/15/2004	216,300	169,435
	2/4/2005	48,575	39,670
	10/7/2005	348,000	336,400
VEHICLES - BOOMS/STAKE BODIES	12/6/1990	38,753	0
	12/8/1995	49,906	0
	8/23/1996	132,699	0
	1/1/1999	81,349	0
	2/11/1999	31,349	0
	1/1/2000	94,347	0
	2/18/2000	30,924	0
	4/10/2000	35,564	0
	12/18/2000	66,113	0
VEHICLES - CAB & CHASSIS	6/1/1994	73,945	0
	10/7/1994	49,003	0
	3/6/1997	29,729	0
	11/26/1997	30,000	0
	1/1/1999	107,095	0
	2/11/1999	34,910	0
	5/5/1999	34,815	0
	7/7/1999	81,349	0
	2/17/2000	35,564	0
	11/28/2000	176,309	0
	12/18/2000	66,663	0
	12/21/2000	71,295	0
	3/29/2001	51,116	2,556
	1/23/2002	123,469	26,751
	5/2/2002	51,782	13,809
	7/19/2002	44,573	14,115
	8/27/2002	61,425	20,475
	11/8/2002	33,950	12,448
	11/18/2002	42,925	16,454
	11/27/2002	34,733	13,314
	12/31/2002	166,696	63,900
	1/20/2003	203,420	81,368
	6/20/2003	59,877	29,938
	10/15/2003	91,491	53,370

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/21/2003	91,491	53,370
	10/31/2003	73,179	42,688
	12/1/2003	53,838	31,406
	6/9/2004	72,850	49,781
	6/10/2004	629,720	430,308
	8/13/2004	54,317	38,927
	10/10/2004	49,970	39,143
	6/21/2005	78,564	69,398
	6/22/2005	78,564	69,398
VEHICLES - CARS & STN WAGONS	5/11/1999	19,803	0
	2/17/2000	37,060	0
	9/27/2000	16,548	0
	9/29/2000	16,430	0
	10/4/2000	16,200	0
	10/17/2000	16,200	0
	10/31/2000	16,200	0
	11/2/2000	16,200	0
	1/16/2001	17,245	0
	4/10/2001	68,870	1,630
	4/25/2001	17,245	0
	6/18/2001	22,321	0
	10/2/2001	16,328	0
	5/2/2002	39,247	10,466
	7/30/2002	16,500	5,225
	8/5/2002	16,500	5,225
	8/6/2002	25,119	7,954
	6/6/2003	19,448	9,724
	6/10/2003	58,344	29,172
	6/11/2003	19,448	9,724
	7/31/2003	15,891	7,946
	4/14/2004	24,124	15,681
	6/11/2004	20,170	13,783
	8/9/2004	27,460	19,680
	12/3/2004	19,805	15,514
	5/9/2005	40,978	36,197
	5/10/2005	17,607	15,259
	5/16/2005	52,821	45,778
VEHICLES - DUMP TRUCKS	10/31/2003	11,535	6,729
VEHICLES - LINE BODIES	2/20/1990	13,572	0
	8/12/1992	20,957	0
	8/18/1992	10,478	0
	9/17/1993	9,259	0
	6/1/1994	11,137	0
	9/19/1995	15,000	0
	3/5/1997	19,680	0
	3/6/1997	19,680	0
	6/1/1997	11,000	0
	11/26/1997	18,279	0
	4/23/1999	11,000	0
	7/30/1999	10,895	0
	2/23/2000	12,000	0
	3/21/2000	19,971	0
	11/15/2000	8,650	0
	3/29/2001	15,000	750
	5/2/2002	18,430	4,915
	7/19/2002	18,695	5,920
	11/19/2002	19,226	7,370

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/4/2003	37,800	16,380
	12/12/2003	18,948	11,053
	12/22/2003	37,895	22,106
	6/9/2004	22,895	15,645
	9/1/2004	91,580	67,159
	8/12/2005	43,994	40,328
VEHICLES - VANS & 4 X 4	5/21/1996	22,361	0
	6/30/1998	24,244	0
	7/3/1998	34,948	0
	11/14/1998	55,008	0
	1/1/2000	51,211	0
	2/14/2000	23,224	0
	4/10/2000	21,089	0
	7/27/2000	23,350	0
	11/15/2000	49,606	0
	12/18/2000	24,225	0
	6/7/2001	28,270	0
	8/15/2001	38,973	0
	5/2/2002	25,577	6,821
	10/2/2002	24,045	8,416
	11/27/2002	86,641	33,212
	12/1/2002	43,430	16,648
	6/20/2003	24,534	2,804
	6/30/2003	72,684	37,553
	7/31/2003	110,913	56,410
	8/5/2003	22,281	11,512
	8/26/2003	25,889	13,376
	9/17/2003	22,281	12,255
	10/1/2003	27,548	16,070
	6/8/2004	21,310	14,562
	8/13/2004	130,066	93,214
	5/16/2005	54,463	48,109
	5/30/2005	115,616	102,127
	6/21/2005	30,004	26,504
WATER SUPPLY SYSTEM	12/12/1988	653	95
	3/9/1989	26,688	4,225
	3/15/1989	7,404	2,611
	5/15/1995	108,812	50,779
WATER SUPPLY SYSTEM - PUMP	10/26/1985	2,511	0
WATER SUPPLY SYSTEM - WELL	10/26/1985	7,778	0
	10/13/1988	5,562	0
	12/1/1989	10,940	2,143
	10/6/1992	9,516	0
YARD STORAGE RAMPS	7/3/1975	23,740	0
	1/1/1979	41,424	0
	1/1/1982	3,496	0
	9/11/1982	13,715	0
	9/1/1987	32,564	0
	5/18/1989	86,228	0
	10/29/1989	19,621	0
	7/11/1990	8,775	0
	8/30/1990	71,306	0
	7/18/1991	11,347	0
	12/20/1991	6,763	0
	11/13/1992	11,484	3,924
	2/1/1993	20,627	0
	8/17/1993	18,181	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Interconnected** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/18/1993	4,688	1,817
	8/31/2001	45,541	35,484
	9/30/2005	13,569	13,343
Island Interconnected		$1,775,254,2	$1,263,101,078

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **.**

Unit of Property	Date Acquired	Original Cost	Net Book Value
.	12/1/2005	2,182	2,182

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY CHARGERS	10/15/1968	4,265	2,525
	1/1/1980	2,133	1,262
	10/30/1990	2,745	652
BUILDINGS-METAL	10/15/1968	1,410,665	902,774
	6/30/1998	152,166	94,470
	12/31/2005	15,543	15,500
BUILDINGS-WOODEN	1/1/1968	26,480	0
	10/15/1968	1,521,238	645,628
	1/1/1970	1,600	0
	12/1/1980	25,261	0
	11/1/1986	17,949	748
	11/21/1986	14,354	0
	12/15/1989	42,817	8,385
	9/10/1993	5,451	2,090
	10/27/1994	0	0
	3/21/1996	65,963	33,532
	11/30/1997	355,491	210,286
CABLES - CONTROL	10/15/1968	2,063	809
	12/15/1989	928	182
	6/13/1990	7,242	1,599
	10/30/1990	2,685	638
	12/1/1990	2,160	531
CABLES - POWER CABLE	1/1/1968	2,334	0
	4/2/1980	52	0
	12/1/1980	1,214	0
	6/13/1990	6,658	1,470
	12/31/2003	22,160	19,852
CIRCUIT BREAKERS	10/15/1968	21,877	8,569
CTL/METER/RELAYING - OTHER	11/30/1997	108,889	64,426
	12/19/2005	32,499	32,363
	12/20/2005	8,941	8,904
CTL/MTR/RELAYING-UNIT CTL PNL	3/1/1995	6,436	0
COOLING SYSTEMS	10/15/1968	3,235	0
	1/15/1971	37,171	27,078
	5/6/1986	4,834	0
	11/25/1993	9,304	3,644
	4/30/1994	178,967	73,823
	8/1/1999	106,668	72,446
	12/30/2000	108,605	81,002
	6/29/2001	99,502	76,699
DIESEL COOLING SYSTEM	11/30/1997	174,436	103,209
DIESEL ENGINES - DIESEL GEN	1/15/1986	11,937	596
	10/29/1997	45,473	26,714
	11/30/1997	1,113,695	658,937
	12/15/2001	321,628	255,962
DIESEL ENGINES	1/1/1968	5,919	0
	10/15/1968	177,189	91,548
	1/15/1971	36,832	0
	7/1/1982	60,283	0
	1/1/1986	61,898	43,328
	1/27/1987	45,634	2,282
	12/15/1989	64,058	12,544
	9/6/1990	12,579	2,935
	10/30/1990	13,505	3,207
	2/11/1991	139,614	35,486
	10/20/1995	143,898	70,151

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/1/1997	106,983	63,744
	12/10/1997	1,168	696
	6/30/1998	171,197	106,285
	5/7/1999	110,149	55,074
	1/7/2000	426,310	298,417
	12/1/2000	172,274	128,487
	12/30/2000	144,447	107,734
	10/15/2001	150,308	118,368
	10/31/2001	57,993	45,669
	12/15/2001	164,893	131,227
	11/29/2002	30,429	25,611
	11/30/2002	46,203	38,888
	12/31/2002	123,085	104,109
	10/6/2005	175,688	173,492
DYKES AND LINERS	10/15/1968	83,192	27,375
	9/1/1981	43,512	0
	1/31/1999	134,484	87,415
FENCING	10/15/1968	26,886	2,931
	1/1/1970	800	0
	1/31/1981	11,274	0
	1/1/1984	715	0
	6/19/1987	10,808	766
	10/1/1987	11,126	973
	11/24/1988	13,039	1,847
	9/22/1991	10,250	2,904
	10/1/1993	27,557	10,679
	4/30/1994	18,174	7,497
	1/31/1999	13,932	9,111
	12/21/2001	5,000	3,979
FIRE FIGHTING-BLDG FIRE PROT	10/15/1968	39,689	30,924
	10/10/1997	133,035	78,158
FOUNDATIONS (CONC) FOR BLDGS	1/1/1968	15,682	0
	4/2/1980	3,000	0
	7/26/1980	7,875	0
	1/31/1981	29,373	0
FOUNDATIONS (CONC) FOR EQUIP	1/1/1968	6,400	0
	4/2/1980	150	0
	10/11/1980	600	0
	5/3/1981	5,450	0
	1/31/1999	56,149	36,497
FUEL OIL STORAGE TANKS	10/15/1968	341,112	181,673
	1/1/1970	100	0
	2/8/1995	9,698	4,404
	5/31/2001	150,148	115,114
	12/31/2005	1,095	1,092
FUEL PIPE & TRANS FACILITIES	10/15/1968	49,908	10,584
	12/31/1990	43,837	10,960
	12/9/1994	202,818	90,423
	1/31/1999	14,640	0
	12/19/2005	10,818	10,773
FUEL STORAGE TKS - UNDERGROUI	10/15/1968	141,065	29,288
	12/15/1990	35,766	8,792
FUEL SYSTEM - LIGHT OIL SYSTEM	10/15/1968	54,883	32,472
	4/4/1997	0	0
GENERATOR - OTHER	1/15/1971	26,682	14,898
	3/18/1997	26,683	14,898
LAND ACQUISITIONS	1/1/1968	50	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/15/1968	250	250
	1/1/1970	200	0
	7/26/1980	900	0
	9/1/1981	3,110	3,110
	9/18/1982	150	0
	4/30/1994	2,026	2,026
	1/31/1999	8,783	8,161
LAND IMPROVEMENTS	10/20/1984	2,397	0
	11/30/1990	5,219	1,261
	1/31/1999	64,806	42,124
MAIN BREAKERS	1/1/1968	13,147	0
	10/15/1968	73,951	37,284
	8/15/2003	40,707	36,725
	2/4/2004	27,896	25,223
METERS - OTHER	12/31/2003	2,699	0
MISC UNITS OF PROP	12/9/2004	31,449	29,745
POLE HARDWARE	1/1/1970	1,847	0
	1/1/1982	3,801	434
	1/1/1983	1,474	187
	6/13/1990	11,971	5,753
	11/25/1993	17,419	10,354
	8/15/2003	5,339	4,909
	12/22/2003	8,543	7,950
	12/23/2003	7,733	7,196
POLES - WOOD 30'	1/1/1982	139	0
	1/1/1983	254	0
	4/30/1994	596	362
POLES-WOOD 35'	1/1/1982	666	0
	1/1/1983	1,108	161
POLES-WOOD 40'	1/1/1970	664	0
	1/1/1982	332	0
	6/13/1990	1,329	639
	4/30/1994	1,763	1,072
	12/22/2003	1,140	1,061
	12/23/2003	1,173	1,092
POLES-WOOD 50'	1/1/1970	786	0
RECLOSERS	12/16/2003	51,973	48,363
	12/23/2003	48,189	44,842
RECLOSER BY-PASS SWITCHES	12/23/2003	2,245	2,089
	12/31/2003	4,061	3,779
SEWAGE DISPOSAL SYSTEM	10/15/1968	5,000	3,979
STACKS (EXHAUST)	12/19/2005	62,236	61,976
STATION SERVICE - OTHER	10/15/1968	8,363	3,275
STATION SERVICE - TRANSFORMER	10/15/1968	2,768	1,142
STRUCTL SUPPS (WOOD & STEEL)	1/1/1970	3,137	0
	1/1/1982	739	0
	6/13/1990	2,778	1,335
	4/30/1994	6,397	3,892
	12/22/2003	6,406	5,961
	12/23/2003	6,425	5,979
SWITCHGEAR	10/15/1968	209,381	93,669
	1/15/1971	12,396	2,325
	10/11/1985	1,054	0
	5/6/1986	12,160	202
	12/15/1989	36,058	7,062
	5/3/1996	54,305	28,057
	10/17/1997	51,984	30,540

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	11/30/1997	316,541	187,286
	6/30/1998	144,682	89,824
	12/1/2000	69,013	51,472
	12/30/2000	78,662	58,669
	5/11/2001	50,126	23,058
	12/15/2001	355,590	282,991
	12/31/2002	47,879	40,697
	12/19/2005	17,960	17,885
TELECONTROL MISC EQUIPMENT	10/15/1968	120,868	75,039
	11/30/1997	1,896	1,122
	6/30/1998	9,176	5,697
TRANSFORMERS-CURRENT	8/15/2003	11,898	10,940
	2/5/2004	6,433	6,022
TRANSFORMERS-POLE TYPE-100KV	10/15/1967	7,793	1,558
	1/1/1970	1,461	0
	1/1/1982	12,033	2,407
TRANSFORMERS-POLE TYPE-10KVA	1/1/1970	278	0
TRANSFORMERS-POLE TYPE-50KVA	1/1/1970	1,295	0
TRANSFORMERS-POLE TYPE-5KV	1/1/1970	211	0
TRANSFORMERS - POLE TYPE-75KV	1/1/1970	1,362	0
WATER SUPPLY SYSTEM - WELL	12/15/1989	11,817	2,314
WOOD RECIEVING	8/30/1996	49,966	26,440

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - PRIMARY	1/1/1981	38,590	0
	1/1/1983	387	90
	1/1/1984	40,447	96
	12/31/1984	2,524	757
	1/1/1987	214	79
	1/1/1988	303	121
	1/1/1990	2,466	1,151
	1/1/1994	1,381	828
	1/1/1995	936	593
	1/1/1996	85	57
	1/1/1997	1,175	735
	12/31/1998	605	463
	12/30/1999	748	598
	12/30/2000	1,161	965
	12/31/2001	194	168
	12/31/2003	734	683
	12/31/2004	891	859
	12/31/2005	1,870	1,865
FOUNDATIONS (CONC) FOR EQUIP	1/1/1984	503	0
VOLTAGE REGULATORS	1/1/1980	13,022	6,945

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-PAD TYPE-333KVA	1/1/1996	5,312	3,541
TRANSFORMERS-POLE TYPE-100KV	1/1/1981	1,600	0
	1/1/1996	2,720	1,813
TRANSFORMERS-POLE TYPE-10KVA	1/1/1981	300	0
	1/1/1983	705	164
	1/1/1984	1,167	0
	1/1/1986	772	258
	1/1/1993	888	503
	1/1/1995	10,910	6,910
	1/1/1997	1,150	805
	12/31/1997	1,601	1,174
	12/30/1999	2,803	538
	12/31/2001	923	800
	12/31/2002	2,690	2,421
	12/31/2003	2,313	2,153
	12/31/2004	919	886
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	19,147	0
	1/1/1986	581	194
	1/1/1987	772	283
	12/30/1999	1,520	1,216
TRANSFORMERS-POLE TYPE-25KVA	1/1/1981	23,102	440
	1/1/1983	1,738	406
	1/1/1984	845	0
	1/1/1987	1,632	598
	1/1/1988	1,304	522
	1/1/1990	1,869	873
	1/1/1993	1,116	632
	1/1/1995	4,707	1,163
	1/1/1996	2,277	1,518
	1/1/1997	10,016	7,012
	11/30/1997	5,294	3,248
	12/30/2000	3,991	3,314
	12/31/2001	6,664	5,776
	12/31/2003	33,101	30,802
	12/31/2004	7,515	7,243
	1/14/2005	1,325	1,321
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1984	1,729	0
	1/1/1988	802	320
	1/1/1996	470	313
	12/31/1998	775	594
TRANSFORMERS-POLE TYPE-50KVA	1/1/1981	1,803	0
	1/1/1983	1,554	362
	1/1/1988	2,378	951
	1/1/1992	1,954	1,042
	1/1/1994	8,063	3,146
	1/1/1996	3,107	2,071
	11/30/1997	2,428	1,490
	12/30/1999	2,928	2,340
	12/30/2000	1,815	1,508
	12/31/2001	1,884	1,633
	12/31/2003	55,813	51,938
	9/1/2004	3,750	3,739
	12/31/2004	7,447	7,178
TRANSFORMERS - POLE TYPE-75KV	1/1/1981	4,302	165
	1/1/1984	404	0
	1/1/1988	1,853	741

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1992	1,446	771
	1/1/1993	3,770	2,137
	1/1/1994	11,811	7,086
	1/1/1995	5,223	3,308
	12/31/2003	6,866	6,389
	12/31/2004	5,097	4,913

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	23,610	169
	1/1/1983	407	95
	1/1/1984	53,336	585
	12/31/1984	4,463	1,339
	1/1/1986	604	201
	1/1/1987	675	118
	1/1/1990	46,251	21,583
	1/1/1992	582	310
	1/1/1994	5,018	3,011
	1/1/1995	4,837	3,063
	1/1/1996	2,069	1,379
	1/1/1997	3,022	2,115
	12/31/1997	2,711	1,988
	12/31/1998	1,597	1,224
	12/30/1999	153	122
	12/30/2000	2,934	2,437
	12/31/2001	992	860
	12/31/2002	1,054	948
	12/31/2003	1,805	1,680
	12/31/2004	813	784
	12/31/2005	740	738

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
METERING TANKS	1/1/1981	2,500	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	38,662	1,086
	1/1/1982	1,002	200
	1/1/1984	5,677	872
	12/31/1984	7,036	2,110
	1/1/1986	25,751	8,585
	1/1/1987	24,951	9,149
	1/1/1988	475	190
	1/1/1990	12,879	6,011
	1/1/1992	6,330	2,866
	1/1/1993	10,594	6,004
	1/1/1994	2,973	1,785
	1/1/1995	8,375	4,188
	1/1/1996	8,865	5,910
	1/1/1997	3,633	2,354
	12/31/1997	5,449	3,996
	12/31/1998	2,526	1,936
	12/30/1999	4,697	3,757
	12/30/2000	5,693	4,342
	12/31/2001	3,638	2,368
	12/31/2002	4,355	3,920
	12/31/2004	3,271	3,153
	12/31/2005	442	441

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	1/1/1994	753	452
	12/31/2003	409	380
STREET LIGHTS - 250 MERC VAP	1/1/1981	5,201	0
	1/1/1984	609	0
STREET LIGHTS - 100 HPS	1/1/1981	1,049	175
	1/1/1983	2,020	471
	12/31/1984	699	210
	1/1/1986	4,006	1,336
	1/1/1990	122	57
	1/1/1993	476	270
	1/1/1994	2,836	1,702
	1/1/1995	1,980	0
	1/1/1996	1,984	1,323
	1/1/1997	1,358	950
	12/31/1997	594	435
	12/31/1998	606	465
	12/30/1999	764	611
	12/30/2000	481	399
	12/31/2001	4,915	4,260
	12/31/2002	343	308
	12/31/2003	3,576	3,328
	12/31/2004	4,412	4,252
	8/31/2005	1,788	1,783
	11/29/2005	1,437	1,429
	11/30/2005	1,090	1,084
	12/31/2005	734	732

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1981	2,290	125
	1/1/1984	2,997	670
	1/1/1987	4,901	1,797
	1/1/1990	10,784	5,034
	1/1/1992	827	441
	1/1/1994	760	456
	1/1/1996	748	498
	1/1/1997	759	531
	11/30/1997	556	341
	12/30/1999	843	674
	1/1/2002	4,926	1,993
POLE HARDWARE	1/1/1981	213,721	1,314
	1/1/1982	93,333	18,667
	1/1/1983	66,123	15,428
	1/1/1984	181,949	17,117
	12/31/1984	72,818	18,942
	1/1/1986	81,974	27,324
	1/1/1987	105,584	38,714
	1/1/1988	6,339	2,536
	1/1/1989	21,342	9,248
	1/1/1990	29,951	13,975
	1/1/1992	1,504	245
	1/1/1993	2,011	1,140
	1/1/1994	14,595	8,759
	1/1/1995	4,497	1,332
	1/1/1996	41,794	27,862
	1/1/1997	33,005	19,401
	11/30/1997	36,491	22,389
	12/31/1997	14,095	10,139
	12/31/1998	12,955	9,933
	12/30/1999	19,114	12,491
	12/30/2000	20,022	16,629
	12/31/2001	11,387	8,329
	1/1/2002	19,778	8,001
	12/31/2002	9,192	8,272
	12/31/2003	35,461	33,004
	12/31/2004	64,217	60,699
	9/1/2005	15,150	15,108
POLES - WOOD 30'	1/1/1981	15,637	7
	1/1/1983	2,868	669
	1/1/1984	9,240	0
	12/31/1984	3,116	935
	1/1/1986	1,003	334
	1/1/1987	3,398	1,245
	1/1/1988	777	311
	1/1/1990	14,954	7,052
	1/1/1992	667	356
	1/1/1993	659	374
	1/1/1994	3,030	1,819
	1/1/1995	1,397	0
	1/1/1996	2,297	1,531
	1/1/1997	7,967	4,179
	12/31/1997	691	507
	12/31/1998	1,643	1,260
	12/30/1999	5,654	4,523
	12/30/2000	1,774	1,473

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Load Served - **Island Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2001	1,562	1,354
	12/31/2002	168	151
	12/31/2003	4,132	3,845
	12/31/2004	2,502	2,412
	12/31/2005	1,142	1,138
POLES-WOOD 35'	1/1/1981	30,167	16
	1/1/1983	1,254	293
	1/1/1984	14,315	386
	12/31/1984	586	175
	1/1/1986	380	127
	1/1/1987	29,902	10,964
	1/1/1988	545	218
	1/1/1990	55,783	25,980
	1/1/1992	759	0
	1/1/1994	763	458
	1/1/1996	12,246	8,164
	1/1/1997	3,530	1,824
	11/30/1997	896	550
	12/31/1997	1,967	1,442
	12/31/1998	1,391	1,066
	12/30/1999	1,876	1,501
	12/30/2000	1,954	1,623
	12/31/2001	3,221	2,792
	1/1/2002	75,668	36,684
	12/31/2002	1,972	1,774
	12/31/2003	7,870	7,324
	12/31/2004	2,152	2,074
	12/31/2005	1,325	1,321
POLES-WOOD 40'	1/1/1981	51,058	2,941
	1/1/1982	62,422	12,485
	1/1/1983	2,057	480
	1/1/1984	4,702	934
	1/1/1986	5,147	1,715
	1/1/1988	5,570	2,228
	1/1/1990	30,958	12,209
	1/1/1992	2,634	1,404
	1/1/1993	2,172	1,232
	1/1/1994	2,779	1,667
	1/1/1995	597	378
	1/1/1996	8,465	5,643
	1/1/1997	5,551	3,885
	11/30/1997	6,661	4,087
	12/31/1997	605	444
	12/31/1998	659	506
	12/30/1999	895	716
	12/30/2000	2,133	1,772
	12/31/2001	3,092	2,680
	12/31/2002	2,153	1,938
	12/31/2003	7,459	6,941
	12/31/2004	2,590	2,496
	12/31/2005	4,960	4,946
POLES-WOOD 45'	1/1/1981	345	0
	1/1/1984	5,594	0
	1/1/1989	6,600	2,860
	1/1/1993	596	338
	1/1/1994	1,560	936
	1/1/1996	3,348	2,232

Newfoundland and Labrador Hydro
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Load Served - **Island Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1997	1,298	908
	12/30/2000	773	642
	12/31/2003	4,920	4,578
	12/31/2004	2,489	2,399
	12/31/2005	1,708	1,703
POLES-WOOD 50'	1/1/1981	290	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
FENCING	1/1/1981	985	0
RIGHT - OF - WAYS	1/1/1981	300	0
	1/1/1984	18,028	0
	1/1/2002	3,022	1,223

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Island Isolated** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-TRAILERS	6/19/1992	28,728	9,217
BUILDINGS-WOODEN	12/20/1986	11,433	524
	11/16/1987	12,014	1,101
	12/1/1987	49,834	4,776
	9/10/1993	5,451	2,090
	10/31/1997	10,738	6,309
	7/21/2000	14,052	10,188
FIRE FIGHTING - OTHER	12/5/1983	1,705	0
LAND ACQUISITIONS	6/19/1992	3,849	3,849
	7/9/1996	775	775
LAND IMPROVEMENTS	11/20/1991	7,949	2,318
	10/20/1992	7,624	2,573
OFFICE EQUIPMENT-MECHANICAL	4/5/2005	3,300	2,805
PRINTERS	5/12/2005	4,975	4,312
RADIOS - MOBILE VHF BASE STN	11/26/1990	2,901	0
RADIOS - MOBILE VHF (MOBILE)	11/26/1990	3,078	0
COMPUTER SOFTWARE	12/21/2005	64,454	63,379
TOOL'S & EQUIPMENT - GENERAL	3/9/1985	3,509	0
	11/22/1986	5,818	0
	11/10/1988	5,518	0
	12/31/1990	0	0
	11/27/1991	14,321	0
	8/27/1993	4,702	0
	12/6/1995	6,750	0
	2/27/2004	2,164	1,334
VEHICLES - 1/2 TON PICK-UPS	8/19/1993	14,932	0
	6/27/1996	20,146	0
Island Isolated		$15,796,822	$8,529,150

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	11/17/2005	8,617	8,521
BATTERY CHARGERS	12/30/1984	8,297	0
	12/2/1997	11,760	7,006
BUILDINGS-METAL	11/1/1980	197,151	0
	11/27/1987	3,078	282
	8/31/1990	269,022	61,652
BUILDINGS-WOODEN	1/15/1975	42,398	22,789
	10/31/1996	523,209	281,225
	12/31/2005	9,085	9,060
CABLES - CONTROL	11/30/1988	4,021	570
	12/2/1997	20,857	12,427
CABLES - POWER CABLE	11/30/1988	3,830	543
CTL/METER/RELAYING - OTHER	12/2/1997	70,606	42,070
COOLING SYSTEMS	11/1/1980	9,822	0
	12/31/2005	28,881	28,761
DIESEL ENGINES - DIESEL GEN	11/1/1980	89,707	0
	12/17/1981	62,054	0
	12/30/1984	112,076	0
	11/30/1988	31,267	4,429
DIESEL ENGINES	11/1/1980	257,443	0
	12/17/1981	128,476	0
	12/30/1984	218,139	0
	11/30/1988	30,729	4,353
	1/27/1994	498,603	199,441
	6/30/1995	29,137	13,718
	12/10/1999	25,346	17,636
	12/31/2005	312,685	311,382
DISCONNECT SWITCHES	1/1/1968	596	0
FENCING	1/1/1968	4,641	0
	11/1/1980	27,486	0
FIRE FIGHTING-BLDG FIRE PROT	12/5/1997	47,218	28,135
FOUNDATIONS (CONC) FOR BLDGS	11/1/1980	54,379	0
FOUNDATIONS (CONC) FOR EQUIP	1/1/1968	1,165	0
	11/1/1980	14,225	0
FUEL OIL STORAGE TANKS	1/31/1999	38,648	25,121
	5/31/2001	14,422	11,057
	11/28/2003	27,744	24,738
FUEL PIPE & TRANS FACILITIES	11/1/1980	1,137	0
	12/5/1989	149,469	29,271
	12/21/1992	72,016	24,905
	1/31/1999	14,640	0
	11/28/2003	24,922	22,222
FUEL STORAGE TKS - UNDERGROUI	1/15/1975	3,113	0
	11/1/1980	4,000	0
	12/30/1984	419	0
GENERATOR - OTHER	12/31/2005	100,599	100,180
MAIN BREAKERS	11/1/1980	13,000	0
POLE HARDWARE	1/1/1968	1,845	0
	12/31/1984	164	49
POLES-WOOD 40'	1/1/1968	1,430	0
PROTECTIVE CTL & RELAY PNLS	12/30/1988	11,036	1,609
RECLOSERS	1/1/1968	5,725	0
STRUCTL SUPPS (WOOD & STEEL)	1/1/1968	1,137	0
	12/31/1984	1,757	527
SWITCHGEAR	11/1/1980	70,383	0
	12/30/1984	108,405	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/2/1997	131,531	78,370
TRANSFORMERS-CURRENT	12/2/1997	19,320	11,511
TRANSFORMERS-PAD TYPE-2500KV/	1/1/1968	15,161	0
TRANSFORMERS-PAD TYPE-500KVA	10/15/1968	30,071	18,043
TRANSFORMERS - POTENTIAL	12/2/1997	11,316	6,742
WATER SUPPLY SYSTEM - WELL	12/13/1991	21,156	6,259

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
LAND ACQUISITIONS	4/25/1996	2,000	2,000
RECLOSERS	6/1/1975	13,640	0
STRUCTL SUPPS (WOOD & STEEL)	7/2/1984	608	172

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - PRIMARY	1/1/1981	119,221	0
	1/1/1982	2,100	420
	1/1/1984	470	126
	1/1/1985	88,928	22,648
	1/1/1987	100,654	36,907
	1/1/1988	24,682	8,672
	1/1/1989	53,961	1,501
	1/1/1992	1,975	479
	1/1/1993	3,899	2,209
	1/1/1994	19,638	11,783
	1/1/1995	3,724	2,359
	12/31/1998	1,608	1,233
	12/30/1999	63,190	50,516
	12/30/2000	1,329	962
	12/31/2001	4,819	3,773
	12/31/2004	12,926	12,459
DISCONNECT SWITCHES	6/1/1975	11,093	3,979
	1/1/1986	3,380	1,126
	1/1/1987	869	319
	12/31/2002	20,812	18,731
POLE HARDWARE	1/1/1994	12,123	7,274
RECLOSERS	1/1/1968	6,256	0
	6/1/1975	3,161	0
	1/1/1994	69,671	41,802
	12/31/2005	89,119	88,871
REGULATORS	12/31/2004	16,657	16,055
STRUCTL SUPPS (WOOD & STEEL)	1/1/1981	2,286	0
	1/1/1984	2,603	694
	1/1/1993	4,105	2,326
TRANSFORMERS-CURRENT	6/10/2004	9,339	8,846
TRANSFORMERS - POTENTIAL	6/10/2004	11,747	11,127
	12/31/2005	13,861	13,822
VOLT REGULATOR BYPASS SWS	1/1/1987	7,166	2,627
VOLTAGE REGULATORS	6/1/1975	43,717	18,868
	1/1/1981	-2	-2
	1/1/1988	16,593	6,638

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-POLE TYPE-100KV	1/1/1986	1,003	334
	1/1/1988	318	0
	12/31/2003	3,491	3,248
TRANSFORMERS-POLE TYPE-10KVA	1/1/1981	2,357	0
	1/1/1987	9,185	3,368
	12/30/2000	911	757
	12/31/2001	1,844	1,598
	12/31/2002	6,574	5,916
	12/31/2003	2,389	2,223
	7/23/2004	921	918
	12/31/2004	914	881
	11/18/2005	1,004	999
	12/31/2005	1,004	1,002
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	1,854	0
	1/1/1987	4,090	1,500
TRANSFORMERS-POLE TYPE-167KV	12/31/2001	12,182	10,558
TRANSFORMERS-POLE TYPE-25KVA	6/1/1970	1,365	1,361
	1/1/1985	50,516	15,155
	1/1/1986	11,543	3,848
	1/1/1987	20,460	7,502
	1/1/1988	16,227	5,479
	1/1/1990	11,612	5,419
	1/1/1992	18,550	8,720
	1/1/1993	986	559
	1/1/1994	2,734	1,639
	12/31/1998	1,261	967
	12/30/1999	1,175	940
	12/30/2000	5,198	4,317
	12/31/2001	1,342	1,163
	12/31/2002	3,710	3,339
	12/31/2003	1,671	1,555
	12/31/2004	5,309	5,117
	9/1/2005	2,716	2,708
	12/31/2005	1,507	1,502
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1981	4,370	0
	1/1/1986	3,032	1,011
	1/1/1990	750	350
TRANSFORMERS-POLE TYPE-50KVA	1/1/1984	16,912	4,510
	1/1/1986	9,823	3,274
	1/1/1988	8,974	3,589
	1/1/1989	2,044	885
	1/1/1990	14,205	6,629
	1/1/1992	7,276	2,695
	1/1/1993	6,010	3,406
	12/31/1998	3,650	2,798
	12/30/1999	1,825	1,460
	12/30/2000	3,764	3,127
	12/31/2001	5,739	4,973
	12/31/2002	1,910	1,719
	12/31/2003	15,173	14,120
	12/31/2004	7,524	7,252
	9/1/2005	1,848	1,843
	12/31/2005	2,022	2,017
TRANSFORMERS-POLE TYPE-5KV	1/1/1981	5,998	0
TRANSFORMERS - POLE TYPE-75KV	12/30/2000	7,437	6,177
	12/31/2001	7,735	6,704

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Load Served - **L' anse au Loup** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	12/31/2002	10,398	9,359
	12/31/2003	3,036	2,825
	12/31/2004	2,427	2,340

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	39,679	0
	1/1/1982	5,358	1,072
	1/1/1984	3,230	861
	1/1/1985	26,681	8,005
	1/1/1986	16,743	5,580
	1/1/1987	65,522	24,025
	1/1/1988	20,078	6,917
	1/1/1989	2,494	510
	1/1/1992	1,825	0
	1/1/1993	3,525	1,997
	1/1/1994	434	260
	12/31/1998	6,789	5,205
	12/30/1999	1,078	863
	12/30/2000	751	623
	12/31/2001	4,029	3,224
	12/31/2002	3,177	2,859
	12/31/2004	517	499

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	21,023	0
	1/1/1982	5,687	1,137
	1/1/1983	332	78
	1/1/1984	6,665	1,777
	1/1/1985	3,369	1,010
	1/1/1986	5,500	1,833
	1/1/1987	11,535	4,230
	1/1/1988	40,354	12,101
	1/1/1989	5,331	412
	1/1/1992	13,658	3,751
	1/1/1993	11,062	6,268
	1/1/1994	4,677	2,806
	12/31/1998	7,352	5,104
	12/30/1999	3,086	2,288
	12/30/2000	13,641	9,425
	12/31/2001	13,404	10,735
	12/31/2002	13,191	11,872
	12/31/2003	2,669	2,484

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	12/30/2000	323	268
STREET LIGHTS - 250 MERC VAP	1/1/1981	3,839	0
	1/1/1982	2,966	593
STREET LIGHTS - 400 HPS	12/31/2002	173	156
	12/31/2003	521	484
	12/31/2004	421	406
STREET LIGHTS - 100 HPS	1/1/1986	1,162	387
	1/1/1988	10,850	3,551
	1/1/1989	9,007	3,903
	1/1/1992	7,581	3,491
	1/1/1993	1,141	647
	12/31/1998	603	462
	12/30/1999	152	121
	12/30/2000	1,922	1,596
	12/31/2001	5,699	4,939
	12/31/2002	4,655	4,189
	12/31/2003	1,264	1,176
	12/31/2004	1,667	1,606
	11/24/2005	361	360
	12/31/2005	732	730

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1981	18,651	0
	1/1/1982	301	61
	1/1/1983	12,761	2,977
	1/1/1984	4,111	1,096
	1/1/1986	1,987	662
	1/1/1988	7,098	2,839
	1/1/1989	7,581	0
	1/1/1992	1,649	214
	1/1/1994	795	477
	12/30/1999	7,862	6,286
	12/30/2000	871	724
	12/31/2001	908	787
	1/1/2002	11,959	5,085
POLE HARDWARE	1/1/1981	133,832	0
	1/1/1982	41,589	8,318
	1/1/1983	98,643	23,017
	1/1/1985	64,466	12,376
	1/1/1986	27,996	9,332
	1/1/1987	236,409	86,683
	1/1/1988	113,402	45,361
	1/1/1989	112,316	14,003
	1/1/1990	49,867	23,271
	1/1/1992	33,453	15,614
	1/1/1993	39,410	22,332
	1/1/1994	120,318	72,190
	1/1/1995	28,194	17,856
	1/1/1997	2,013,846	1,409,692
	12/31/1998	49,775	35,177
	12/30/1999	84,673	67,739
	12/30/2000	22,118	17,474
	12/31/2001	47,475	35,743
	1/1/2002	48,026	20,417
	12/31/2002	111,362	90,262
	12/31/2003	32,644	30,377
	12/31/2004	273,366	262,253
	9/8/2005	59,265	48,227
	12/31/2005	202,801	202,238
POLES - CONCRETE 30'	1/1/1981	4,274	0
POLES-CONCRETE 35'	1/1/1981	18,235	0
	11/24/2005	5,297	5,283
POLES - WOOD 30'	1/1/1981	58,043	0
	1/1/1982	4,549	910
	1/1/1984	1,323	352
	1/1/1985	288	87
	1/1/1987	1,559	571
	1/1/1988	768	0
	1/1/1992	5,160	1,278
	12/31/1998	1,517	1,163
	12/30/1999	1,083	865
	12/30/2000	595	495
POLES-WOOD 35'	1/1/1981	87,003	0
	1/1/1982	36,963	7,393
	1/1/1985	36,185	10,856
	1/1/1986	20,215	6,739
	1/1/1987	141,958	52,051
	1/1/1988	41,009	15,845

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1989	66,523	5,983
	1/1/1990	38,877	10,686
	1/1/1992	21,155	8,241
	1/1/1993	14,500	8,217
	1/1/1994	29,484	17,691
	1/1/1995	8,940	5,662
	12/31/1998	8,281	3,543
	12/30/1999	48,384	38,682
	12/30/2000	10,911	8,066
	12/31/2001	8,516	6,277
	1/1/2002	183,738	77,974
	12/31/2002	16,922	12,040
	12/31/2003	5,854	5,448
	12/31/2004	45,338	43,701
	12/31/2005	56,235	56,078
POLES-WOOD 40'	1/1/1981	62,439	0
	1/1/1982	32,597	6,519
	1/1/1983	195,777	45,682
	1/1/1985	9,691	2,907
	1/1/1986	6,329	2,110
	1/1/1987	49,233	18,052
	1/1/1988	24,436	8,050
	1/1/1989	36,446	1,105
	1/1/1992	6,857	2,642
	1/1/1993	14,635	8,292
	1/1/1994	9,327	5,596
	12/31/1998	8,538	2,811
	12/30/1999	53,509	42,778
	12/30/2000	3,702	3,075
	12/31/2001	11,996	9,361
	12/31/2002	49,789	44,097
	12/31/2003	14,835	13,804
	12/31/2004	57,613	54,809
	9/8/2005	18,704	18,652
	12/31/2005	118,292	117,963
POLES-WOOD 45'	1/1/1981	1,218	0
	1/1/1982	7,355	1,471
	1/1/1984	12,100	3,227
	1/1/1986	3,470	1,157
	1/1/1987	24,086	8,831
	1/1/1988	11,236	2,117
	1/1/1989	12,915	1,854
	1/1/1992	5,642	1,820
	1/1/1993	5,689	3,224
	1/1/1994	6,528	3,917
	1/1/1995	3,918	2,482
	12/31/1998	5,042	3,866
	12/30/1999	11,862	9,485
	12/30/2000	3,634	3,018
	12/31/2001	17,744	15,378
	12/31/2002	360	324
	12/31/2003	4,569	4,252
	12/31/2004	14,911	14,373
	9/8/2005	10,255	10,226
	12/31/2005	32,256	32,166
POLES-WOOD 50'	1/1/1981	3,569	0
	1/1/1982	4,179	836

Newfoundland and Labrador Hydro
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Load Served - **L' anse au Loup** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1983	6,078	1,419
	1/1/1984	2,788	744
	1/1/1987	563	207
	1/1/1989	7,276	564
	1/1/1992	887	473
	1/1/1994	947	568
	12/31/1998	1,380	633
	12/30/2000	935	776
	12/31/2002	13,750	12,376
	12/31/2004	5,557	5,356
	12/31/2005	1,881	1,876
POLES-WOOD 55'	1/1/1983	1,671	390
	1/1/1984	1,430	382
	1/1/1989	2,827	0
	1/1/1994	2,384	1,431

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Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
RIGHT - OF - WAYS	1/1/1981	689	0
	1/1/1984	2,234	596
	1/1/1987	1,670	612
	1/1/1989	3,514	0
	12/30/1999	7,889	6,307
	1/1/2002	7,338	3,120

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **L' anse au Loup** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-WOODEN	12/2/1982	7,046	0
LAND ACQUISITIONS	3/18/1994	4,000	4,000
LAND IMPROVEMENTS	11/11/1986	4,964	207
	9/28/1989	56,448	10,349
	10/20/1995	14,013	6,831
MOBILE - AIR COMPRESSORS	6/1/1988	15,153	0
MOBILE - ARGO'S	6/1/1993	13,991	0
MOBILE - LOADERS/GRADERS	6/1/1992	85,758	0
MOBILE - SNOWMOBILES	3/27/1997	5,922	0
	10/15/1999	8,471	0
MOBILE - TRAILERS	6/1/1989	20,429	0
	6/1/1994	3,560	0
	6/1/1995	28,234	0
	4/30/1998	1,800	405
	12/6/2001	2,275	1,346
OFFICE FURNITURE	9/21/2000	2,093	977
POWER LINE CARRIER EQUIPMENT	12/31/1997	20,092	14,734
POWER SYSTEM - BATTERY CHARGI	1/1/1980	11,494	671
	8/25/1996	35,402	2,065
PWR SYS-SUPPLY SERV & EQP	12/31/1997	29,300	21,487
RADIOS - MOBILE VHF BASE STN	11/26/1990	2,900	0
RADIOS - MOBILE VHF (MOBILE)	4/30/1998	2,815	634
ROUTERS & LANS	12/21/2000	6,404	0
TOOL'S & EQUIPMENT - GENERAL	9/1/1982	5,819	0
	9/3/1982	1,783	0
	4/11/1985	2,016	0
	12/31/1990	0	0
	1/27/2005	1,419	1,135
VEHICLES - BOOMS & CRANES	12/21/2000	27,112	0
	9/1/2004	98,000	71,867
VEHICLES - BOOMS/STAKE BODIES	1/1/2000	94,347	0
VEHICLES - LINE BODIES	9/1/2004	22,895	16,790
YARD STORAGE RAMPS	12/17/1993	5,966	2,361
L' anse au Loup		$12,570,132	$5,911,802

Newfoundland and Labrador Hydro
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Load Served - **Labrador City** Purpose- **Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
MISC UNITS OF PROP	1/1/1999	103,893	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador City** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	9/30/1992	17,254	11,502
	8/31/1994	25,100	0
	12/31/2002	6,611	5,932
BATTERY CHARGERS	1/1/1995	0	0
BUILDINGS-METAL	1/1/1995	0	0
BUSWORK AND HARDWARE	8/31/1994	64,324	0
	9/30/1994	85,054	0
CABLES - CONTROL	8/31/1994	1,087	0
	9/30/1994	25,219	11,235
CABLES - POWER 5KV & ABOVE	9/14/1997	78,732	56,862
CABLES - POWER CABLE	9/11/1998	69,453	52,476
CIRCUIT BREAKERS	1/1/1995	0	0
CTL/METER/RELAYING - OTHER	1/1/1995	0	0
	1/1/1996	112,883	75,255
CTL/MTR/RELAYING-UNIT CTL PNL	1/1/1995	0	0
DISCONNECT SWITCHES	10/31/1993	93,001	0
	8/31/1994	27,597	0
	1/1/1995	0	0
	9/15/1997	8,413	6,076
	9/30/2000	93,546	76,917
	8/20/2001	27,584	23,523
FENCING	8/31/1994	11,855	0
	9/30/1994	12,991	0
	1/1/1995	0	0
	10/21/2005	49,210	48,800
FOUNDATIONS (CONC) FOR BLDGS	1/1/1995	0	0
FOUNDATIONS (CONC) FOR EQUIP	1/1/1995	0	0
GROUNDING	9/11/1998	27,959	21,753
INSULATORS - PIN TYPE	1/1/1995	0	0
INSULATORS - POST TYPE	1/1/1995	0	0
INSULS-SUSPENSION (BELOW 50KV)	1/1/1995	0	0
L.V. SWITCHING - BUSWORK	8/31/1994	17,982	0
	9/30/1994	7,495	0
LAND ACQUISITIONS	8/31/1994	37,959	37,959
	9/30/1994	21,834	21,834
LAND IMPROVEMENTS	8/31/1994	80,579	0
LIGHTNING ARRESTOR	9/30/1992	0	0
	1/1/1995	0	0
MTLCLAD SWGR CUB/EQP 4kV/600V	9/30/1994	555,750	345,800
MISC UNITS OF PROP	10/31/1993	117,864	0
POLE HARDWARE	10/31/1993	24,541	0
	1/1/1995	0	0
	9/15/1997	7,199	5,199
POLES - WOOD 30'	1/1/1995	0	0
POLES-WOOD 40'	10/31/1993	3,717	0
	1/1/1995	0	0
POLES-WOOD 45'	10/31/1993	10,659	0
	1/1/1995	0	0
RECLOSERS	3/31/1994	114,202	0
	8/31/1994	66,215	0
RECLOSER BY-PASS SWITCHES	1/1/1995	0	0
ROADS	8/31/1994	7,809	0
STATION SERVICE - PANEL	8/31/1994	39,341	0
	1/1/1995	0	0
STATION SERVICE - TRANSFORMER	8/31/1994	2,781	0
	1/1/1995	0	0

Newfoundland and Labrador Hydro
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Load Served - **Labrador City** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 250 MERC VAP	1/1/1995	0	0
STREET LIGHTS - 400 HPS	1/1/1995	0	0
STRUCTL SUPPS (WOOD & STEEL)	8/31/1994	106,381	3,146
	1/1/1995	0	0
SWITCHGEAR	9/14/1997	688,304	497,108
SWITCHGEAR(SF6)	1/1/1995	0	0
TRANSFORMERS-CURRENT	9/30/1992	0	0
	8/31/1994	17,603	0
	1/1/1995	0	0
TRANSFORMERS-OTHER	1/1/1995	0	0
TRANSFORMERS-POLE TYPE-25KVA	1/1/1995	0	0
TRANSFORMERS - POTENTIAL	8/31/1994	5,728	0
	1/1/1995	0	0
TRANSFORMERS - POWER	9/30/1992	228,812	0
	9/11/1993	211,815	0
	2/28/1994	69,267	0
	1/1/1995	0	0
VOLT REGULATOR BYPASS SWS	1/1/1995	0	0

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Load Served - **Labrador City** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - PRIMARY	1/1/1993	40,957	0
	1/1/1994	10,427	91
	1/1/1995	144,398	41,675
	1/1/1996	204,322	136,214
	1/1/1997	322	226
	12/31/1997	741	543
	12/31/1998	936	718
	12/30/1999	756	605
	12/30/2000	23,294	19,346
	12/31/2001	1,187	1,029
DISCONNECT SWITCHES	1/1/1994	8,131	0
	1/1/1995	25,773	12,752
	1/1/1996	59,338	39,558
	12/31/2002	33,561	30,205
	12/31/2003	4,725	4,397
	12/31/2004	8,688	8,374
POLE HARDWARE	1/1/1993	43,263	1,588
STRUCTL SUPPS (WOOD & STEEL)	1/1/1995	12,425	7,869
	1/1/1996	12,764	8,509
	1/1/1997	4,690	3,283

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador City** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-PAD TYPE-333KVA	12/31/2001	112,991	97,926
TRANSFORMERS-POLE TYPE-100KV	1/1/1995	35,293	7,001
	1/1/1996	509,847	339,898
	12/31/1998	4,892	3,751
	12/30/1999	2,569	2,055
	12/31/2001	24,039	20,834
	12/31/2004	2,855	2,752
TRANSFORMERS-POLE TYPE-10KVA	1/1/1995	717	454
	12/31/2002	1,848	1,663
	12/31/2003	1,176	1,094
TRANSFORMERS-POLE TYPE-167KV	1/1/1997	19,220	13,454
	12/30/1999	41,024	32,819
TRANSFORMERS-POLE TYPE-25KVA	1/1/1995	12,531	3,561
	1/1/1996	1,402	935
	12/31/1997	4,940	3,623
	12/30/1999	5,033	4,026
	12/30/2000	44,813	37,220
	12/31/2002	2,649	2,384
	12/31/2003	5,995	5,579
TRANSFORMERS-POLE TYPE-50KVA	1/1/1994	5,108	3,065
	1/1/1995	72,073	2,589
	1/1/1996	21,547	14,365
	12/31/1997	18,129	13,294
	12/30/1999	10,802	8,641
	12/30/2000	1,727	1,434
	12/31/2001	5,756	4,989
	12/31/2002	20,771	18,694
	12/31/2003	14,295	13,302
	12/31/2004	11,167	10,764
TRANSFORMERS - POLE TYPE-75KV	1/1/1995	167,600	35,156
	1/1/1996	67,549	45,032
	12/30/1999	7,334	5,867
	12/31/2002	21,081	18,973
	12/31/2003	14,463	13,459
	12/31/2004	7,144	6,886

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Load Served - **Labrador City** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1995	59,747	5,964
	1/1/1996	182,641	121,761
	1/1/1997	2,526	1,767
	12/31/1997	1,116	819
	12/30/2000	81,020	67,291

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Load Served - **Labrador City** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
METER TEST SWITCHES	12/31/1993	1,216	729
METERING TANKS	1/1/1981	12,797	0
METERS - DEMAND	12/31/1993	3,358	2,015
	12/31/1994	21,651	13,712
	12/31/1997	12,864	9,434
TRANSFORMERS-CURRENT	12/31/1993	846	508
TRANSFORMERS - POTENTIAL	12/31/1993	609	366

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Load Served - **Labrador City** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1994	1,896	1,138
	1/1/1995	135,173	70,598
	1/1/1996	107,911	71,941
	1/1/1997	7,242	5,069
	12/31/1997	10,004	7,337
	12/31/1998	13,624	10,417
	12/30/1999	5,494	4,396
	12/30/2000	106,171	88,182
	12/31/2001	10,106	8,758
	12/31/2002	1,079	971

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Load Served - **Labrador City** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	12/31/2004	1,755	1,692
STREET LIGHTS - 250 MERC VAP	1/1/1996	622	414
STREET LIGHTS - 100 HPS	1/1/1994	951	571
	1/1/1995	1,509	956
	1/1/1996	3,938	2,625
	1/1/1997	3,599	2,520
	12/31/1997	7,483	5,488
	12/31/1998	2,861	2,193
	12/30/1999	5,125	4,100
	12/30/2000	6,008	4,990
	12/31/2001	7,698	6,671
	12/31/2002	3,058	2,752
	12/31/2003	4,191	3,004
	12/31/2004	2,677	2,580

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Load Served - **Labrador City** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1993	34,954	0
	1/1/2002	57,405	24,409
POLE HARDWARE	1/1/1993	24,200	0
	1/1/1994	39,654	2,254
	1/1/1995	805,490	354,644
	1/1/1996	638,389	425,592
	1/1/1997	113,475	79,433
	12/31/1997	10,478	7,683
	12/31/1998	8,172	6,216
	12/30/1999	37,690	29,592
	12/30/2000	168,806	140,203
	12/31/2001	14,382	12,465
	1/1/2002	230,525	98,002
	12/31/2002	71,920	64,729
	12/31/2003	56,675	51,949
	12/31/2004	27,740	26,738
POLES - WOOD 30'	1/1/1997	1,731	1,212
	12/31/1997	1,745	1,279
	12/30/1999	571	457
	12/31/2001	666	577
	12/31/2004	4,179	4,028
POLES-WOOD 35'	1/1/1995	1,093	692
	1/1/1996	1,655	1,103
	1/1/1997	6,627	4,309
	12/31/1997	5,304	3,890
	12/31/1998	1,225	940
	12/30/2000	228	190
	12/31/2001	1,000	866
	1/1/2002	881,941	374,275
	12/31/2004	4,637	4,469
POLES-WOOD 40'	1/1/1994	2,984	1,790
	1/1/1995	54,077	8,397
	1/1/1996	2,589	1,726
	1/1/1997	3,699	2,590
	12/31/1998	173	7
	12/31/2001	10,929	7,935
	12/31/2002	2,900	2,610
	12/31/2003	1,397	1,300
POLES-WOOD 45'	1/1/1993	42,602	0
	1/1/1994	8,190	390
	1/1/1995	75,426	12,363
	1/1/1996	30,949	20,634
	1/1/1997	8,624	6,037
	12/31/1998	727	557
	12/30/2000	23,719	19,700
	12/31/2001	4,031	3,494
	12/31/2002	15,666	14,099
	12/31/2003	1,847	1,719
	12/31/2004	3,544	3,416
POLES-WOOD 50'	1/1/1995	16,310	1,874
	1/1/1996	22,534	15,023
	12/31/2002	37,025	33,322
POLES-WOOD 55'	1/1/1995	63,899	5,293
	1/1/1996	18,044	12,030
POLES-WOOD 60'	1/1/1996	11,249	7,499
	12/31/2002	5,381	4,842

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Load Served - **Labrador City** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
RIGHT - OF - WAYS	1/1/2002	35,222	14,975
Labrador City		$9,913,545	$4,875,445

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-METAL	9/12/1982	117,723	0
	9/16/1983	522,103	0
	10/11/1984	38	0
	12/27/2001	45,361	36,100
	9/30/2005	30,005	29,505
BUILDINGS-WOODEN	11/15/1999	88,125	60,953
CABLES - POWER 5KV & ABOVE	10/11/1984	8,776	0
CABLES - POWER CABLE	9/16/1983	4,306	0
COMPRESSED AIR STARTING SYSTE	11/15/1980	8,937	0
COOLING SYSTEMS	9/16/1983	8,937	0
DIESEL ENGINES - DIESEL GEN	9/16/1983	360,000	0
DIESEL ENGINES	9/16/1983	878,000	0
	12/31/1998	134,009	102,741
FENCING	1/1/1988	16,431	1,643
FOUNDATIONS (CONC) FOR EQUIP	9/16/1983	17,800	0
FUEL OIL STORAGE SYST-OTHER	12/27/2001	11,197	8,911
FUEL OIL STORAGE TANKS	12/9/1994	24,084	10,739
	12/6/1996	187,526	102,357
	12/31/1998	71,572	54,872
FUEL PIPE & TRANS FACILITIES	9/16/1983	1,500	0
	12/9/1994	111,584	49,748
	12/27/2001	224,795	178,899
	11/30/2005	5,274	5,230
LAND ACQUISITIONS	4/23/1986	3,750	3,750
	3/21/1996	10,563	10,563
LAND IMPROVEMENTS	5/31/1985	17,600	0
	9/30/2005	17,149	16,863
MAIN BREAKERS	9/16/1983	14,000	0
MISC UNITS OF PROP	9/16/1983	798	34
POLE HARDWARE	10/11/1984	7,407	0
PROTECTIVE CTL & RELAY PNLS	12/31/2003	43,692	39,140
	2/11/2005	232,684	222,019
REACTORS AND RESISTORS	7/15/1968	20,083	0
SEWAGE DISPOSAL SYSTEM	9/16/1983	7,733	3,673
STRUCTL SUPPS (WOOD & STEEL)	3/21/1996	25,856	13,143
SWITCHGEAR	12/27/2001	61,286	48,773
	9/30/2005	32,003	31,469

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Gas Turbine Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	3/27/1992	53,868	24,061
BATTERY CHARGERS	3/27/1992	13,467	6,015
	7/31/2000	19,348	15,092
BUILDINGS-METAL	3/27/1992	769,194	343,573
	6/30/1993	50,030	23,799
CABLE TRNCH/DUCT/EMBED CONDU	3/27/1992	8,346	3,728
CIRCUIT BREAKERS	1/31/1992	41,844	22,317
COMPRESSED AIR SYS-AIR RECIEV	3/27/1992	94,268	42,106
COMPRESSED AIR SYS-COMP & DRS	3/27/1992	107,735	48,121
COMPRESSED AIR SYS-INTR AIR DR	3/27/1992	33,667	15,039
COMPRESSED AIR SYS- OTHER	3/27/1992	235,676	105,268
FENCING	3/27/1992	39,400	17,599
FIRE FIGHTING-BLDG FIRE PROT	11/15/1992	49,782	33,464
FIRE FIGHTING-PWRHSE PROT SYS	3/27/1992	99,299	44,353
FOUNDATIONS (CONC) FOR BLDGS	3/27/1992	385,956	172,394
FOUNDATIONS (CONC) FOR EQUIP	3/27/1992	1,271	567
FUEL OIL STORAGE TANKS	3/27/1992	157,235	70,231
GAS TURB-AIR FLOWTRATION SYS	3/27/1992	606,026	270,691
GAS TURBINE - CLUTCH	3/27/1992	121,207	54,140
GAS TURBINE - CONTROL SYSTEM	3/27/1992	459,085	205,058
	9/17/2001	53,174	43,957
GAS TURBINE-FUEL FORWARD SYST	3/27/1992	375,777	167,847
GAS TURBINE - JET ENGINES	3/27/1992	6,060,236	2,706,905
GAS TURB-MAIN LUBE OIL SET	3/27/1992	707,381	315,963
GAS TURBINE - OFF-LOADING SYST	3/27/1992	161,008	71,917
GAS TURBINE - POWER TURBINE	3/27/1992	4,713,568	2,105,394
GAS TURB-SWITCHGEAR MODULE	3/27/1992	325,566	145,419
GATES - HEATING SYSTEM	11/15/1992	63,724	49,705
GENERATOR - OTHER	3/27/1992	1,317,130	588,318
GENERATOR - ROTOR	3/27/1992	1,346,720	601,535
GENERATOR - STATOR	3/27/1992	2,693,440	1,203,070
GLYCOL SYSTEM - COOLING	3/27/1992	437,684	195,499
LAND IMPROVEMENTS	3/27/1992	328,061	146,534
MISC UNITS OF PROP	3/27/1992	57,884	25,855
	12/6/1996	71,726	40,702
STACKS (EXHAUST)	3/27/1992	336,678	150,382
STATIC EXCITATION - EXCITER	3/27/1992	80,801	36,091
STATIC EXCITATION - FIELD BKRS	3/27/1992	6,733	3,008
STATIC EXCITATION - OTHER	3/27/1992	47,134	21,053

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - 562.5MCM / ACSR	1/1/1978	4,703,672	3,186,968
COUNTERPOISE	1/1/1978	123,319	87,622
GROUND WIRE - OVERHEAD	1/1/1978	43,319	30,780
INSULS-SUSPENSION (50KV & UP)	12/30/2000	2,869,081	2,461,313
POLE STRUCUTRES WOOD TYPE OT	1/1/1978	5,567,013	3,921,721
	12/30/2005	79,910	79,884
POWER LINE CARRIER EQUIPMENT	1/1/1978	50,795	36,092
POWER SYSTEM - BATTERY BANK	1/1/1978	22,055	15,671
RIGHT - OF - WAYS	1/1/1978	2,869,773	2,005,236
	10/8/1997	53,434	42,201

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Sub-Transmission - Rural**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CTL/METER/RELAYING - OTHER	1/28/1992	2,392	1,795
REVENUE MTRING - MTEING TANKS	6/5/1989	13,433	12,485
REVENUE MTRING-SPEEDOMAX RE(	11/29/1985	1,885	1,724
REVENUE MTRING-TERM. METERS	1/1/1978	568	408
	11/29/1985	2,846	2,603
	3/27/1992	1,536	1,160

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	1/31/1992	17,564	13,102
	3/27/1992	18,990	16,087
BATTERY CHARGERS	1/31/1992	9,102	6,790
	3/27/1992	17,543	16,759
BUILDINGS-METAL	1/1/1978	22,569	16,212
	3/27/1992	70,708	65,493
BUSWORK AND HARDWARE	1/1/1978	137,934	99,077
	3/27/1992	8,065	7,704
CABLE TRNCH/DUCT/EMBED CONDU	1/1/1978	56,856	40,839
	3/27/1992	3,420	3,268
CABLES - CONTROL	1/1/1978	90,876	65,276
	3/27/1992	11,824	8,928
	11/30/1994	5,026	3,818
CABLES - TRAYS AND CONDUIT	3/27/1992	435	329
CIRCUIT BREAKERS	9/15/1976	46,323	33,274
	1/1/1978	260,884	187,393
	1/31/1992	47,669	35,559
CTL/METER/RELAYING - OTHER	1/1/1978	94,188	67,654
	3/27/1992	30,230	21,115
CTL/MTR/RELAYING-SYNCH. PANEL	3/27/1992	18,727	12,429
CTL/MTR/RELAYING-UNIT CTL PNL	3/27/1992	8,682	6,556
CTL/MTR/RELAYING-UNIT PROT PNL	1/1/1978	40,856	29,346
CTL/MTR/RELAYING-VOLT/MW PNL	8/13/1999	3,781	1,768
DISCONNECT SWITCHES	9/15/1975	77,230	55,476
	1/1/1978	145,561	104,555
FENCING	1/1/1978	53,503	38,431
	10/3/2004	20,428	20,324
FOUNDATIONS (CONC) FOR BLDGS	1/1/1978	2,508	1,801
	3/27/1992	15,948	15,235
FOUNDATIONS (CONC) FOR EQUIP	1/1/1978	817,123	580,886
	10/3/2004	9,714	9,665
GROUND WIRE - OVERHEAD	1/1/1978	23,368	16,785
GROUNDING	1/1/1978	20,976	15,067
	3/27/1992	20,195	13,538
	10/3/2004	9,440	9,392
INSULATORS - PIN TYPE	1/1/1978	540	388
INSULS-SUSPENSION (50KV & UP)	1/1/1978	4,643	3,335
LAND IMPROVEMENTS	1/1/1978	199,276	143,138
	3/27/1992	10,276	9,816
LIGHTING SYSTEM - SWITCHYARD	1/1/1978	15,336	11,016
LIGHTNING ARRESTOR	12/14/2005	18,135	18,129
MISC UNITS OF PROP	5/7/1999	37,085	30,134
PROTECTIVE CTL & RELAY PNLS	10/3/2004	92,868	92,395
REV.MTRING-STATREL DUPL RELAY	7/21/1995	5,054	4,377
REVENUE MTRING-TERM. METERS	1/1/1978	568	408
ROADS	1/1/1978	5,182	3,722
SEWAGE DISPOSAL SYSTEM	1/1/1978	6,807	4,890
	3/27/1992	4,871	4,653
STRUCTL SUPPS (WOOD & STEEL)	1/1/1978	284,535	204,379
TRANSFORMERS-CURRENT	1/1/1978	75,572	54,284
TRANSFORMERS - POTENTIAL	9/15/1975	36,916	26,517
	1/1/1978	22,335	16,043
TRANSFORMERS - POWER	1/1/1978	1,380,795	968,964
	9/3/2004	801,876	797,798
WATER SUPPLY SYSTEM	1/1/1978	6,154	4,420
WATER SUPPLY SYSTEM - PUMP	3/27/1992	17,869	17,070

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
WATER SUPPLY SYSTEM - WELL	3/27/1992	43,078	39,099

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUSWORK AND HARDWARE	10/6/1982	13,413	12,430
	12/5/1985	23,799	991
	10/3/2004	112,225	107,549
CABLES - CONTROL	10/6/1982	5,142	4,765
CABLES - POWER CABLE	1/1/1970	542	0
	5/31/1982	23,558	4,973
	11/30/2000	62,418	51,668
CABLES - TRAYS AND CONDUIT	3/27/1992	15,129	8,153
CIRCUIT BREAKERS	10/6/1982	154,585	143,260
	12/31/2003	82,438	76,713
	10/3/2004	80,483	77,130
CONDUCTOR - PRIMARY	5/31/1982	830	175
CTL/METER/RELAYING - OTHER	10/6/1982	24,752	22,939
	1/28/1992	2,392	2,057
	1/31/1992	54,905	29,283
DISCONNECT SWITCHES	1/1/1978	3,834	3,312
	1/1/1981	1,072	0
	1/1/1985	3,263	979
	1/1/1987	3,401	1,247
	1/1/1989	6,775	2,935
	1/1/1993	11,983	6,790
	12/31/2003	6,270	5,834
	10/3/2004	28,954	27,747
FENCING	1/1/1970	6,279	0
	5/31/1982	1,704	0
	10/6/1982	2,196	2,035
	11/30/2000	35,091	29,048
	12/31/2003	3,532	3,287
FOUNDATIONS (CONC) FOR EQUIP	1/1/1970	5,884	0
	10/6/1982	39,022	36,164
	12/31/2003	4,052	3,771
GROUNDING	1/1/1978	74,090	61,330
	10/6/1982	3,771	3,495
INSULATORS - PIN TYPE	10/6/1982	239	221
INSULATORS - POST TYPE	10/3/2004	27,641	26,489
INSULS-SUSPENSION (50KV & UP)	10/6/1982	1,628	1,509
LAND IMPROVEMENTS	10/6/1982	4,801	4,449
	3/27/1992	7,516	4,050
	11/30/2000	38,414	31,798
LIGHTING SYSTEM - SWITCHYARD	10/6/1982	2,287	2,120
POLE HARDWARE	1/1/1970	8,394	0
	5/31/1982	29,357	6,048
	12/31/2003	62,604	58,256
POLES-WOOD 35'	1/1/1970	5,423	0
	5/31/1982	651	0
POLES-WOOD 40'	12/27/2001	1,031	891
	10/3/2004	1,110	1,063
RECLOSERS	9/15/1975	66,734	18,448
	1/1/1978	11,624	774
	1/1/1983	6,039	1,409
	1/1/1994	45,504	27,302
REVENUE MTRING-SPEEDOMAX RE(	11/30/1985	4,731	4,328
STREET LIGHTS - 100 HPS	1/1/1988	1,443	577
STRUCTL SUPPS (WOOD & STEEL)	10/6/1982	27,631	25,607
TRANSFORMERS-PAD TYPE-1000KV/	1/1/1970	14,023	0
TRANSFORMERS-PAD TYPE-2000KV/	1/1/1970	23,072	0

Newfoundland and Labrador Hydro
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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-POLE TYPE-100KV	5/31/1982	5,619	1,186
TRANSFORMERS-POLE TYPE-25KVA	10/3/2004	6,709	6,430
TRANSFORMERS-POLE TYPE-5KV	1/1/1970	552	0
TRANSFORMERS - POTENTIAL	12/31/2003	11,909	11,082
	10/3/2004	29,318	28,096
TRANSFORMERS - POWER	1/1/1970	25,321	0
	9/15/1975	7,947	4,239
	5/31/1982	35,881	26
	11/16/1982	500	0
VOLT REGULATOR BYPASS SWS	9/15/1975	92	0

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribtion Submarine Cables**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CABLE - SUBMARINE	1/1/1975	475,797	364,777
CABLE - UNDERGROUND	1/1/1981	40,030	0

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CABLES - POWER CABLE	12/31/1998	42,975	32,948
CAPACITORS	1/1/1995	9,531	0
CONDUCTOR - 636MCM / ACSR	10/1/1982	262,476	59,057
	5/31/1985	7,037	2,189
CONDUCTOR - PRIMARY	1/1/1981	560,203	297
	1/1/1983	1,547	361
	1/1/1984	30,427	8,113
	1/1/1985	18,565	5,569
	1/1/1986	2,801	933
	1/1/1987	7,614	2,792
	1/1/1988	29,901	9,892
	1/1/1989	27,892	12,086
	1/1/1990	8,208	3,830
	1/1/1991	12,768	6,385
	1/1/1992	29,961	13,137
	1/1/1993	116,910	66,249
	1/1/1995	25,793	11,865
	1/1/1996	3,073	347
	1/1/1997	14,843	9,829
	12/31/1997	21,405	15,697
	12/31/1998	60,316	45,559
	12/30/1999	25,709	20,568
	12/30/2000	48,936	34,605
	12/31/2001	6,145	4,412
	12/31/2002	11,893	10,704
	12/31/2004	8,879	8,558
	8/31/2005	3,142	3,133
	12/31/2005	3,807	3,797
DISCONNECT SWITCHES	1/1/1982	11,736	2,640
	1/2/1982	5,868	1,320
	1/1/1983	223	52
	12/30/2000	1,773	1,473
	12/31/2002	5,027	4,524
	12/31/2004	4,097	3,949
	12/31/2005	33,285	33,192
FOUNDATIONS (CONC) FOR EQUIP	1/1/1970	464	0
	1/1/1981	12,108	0
	1/1/1984	627	168
POLE HARDWARE	12/31/2002	12,033	10,830
POLE STRUCUTRES WOOD TYPE OT	10/1/1982	98,038	22,058
RECLOSERS	1/1/1970	37,756	0
	9/15/1975	83,008	17,992
	11/20/1992	45,172	25,347
	1/1/2001	30,656	25,461
REGULATORS	12/31/2004	6,226	6,002
STRUCTL SUPPS (WOOD & STEEL)	1/1/1981	3,531	0
	1/1/1984	2,029	541
	1/1/1995	4,233	2,680
	12/30/2000	5,340	4,436
	12/31/2002	20,780	18,702
VOLT REGULATOR BYPASS SWS	1/1/1995	3,881	2,458
	12/31/2002	4,031	3,628
VOLTAGE REGULATORS	9/15/1975	11,623	0

Newfoundland and Labrador Hydro
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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-PAD TYPE-1000KV/	1/1/1981	6,543	0
TRANSFORMERS-PAD TYPE-200KVA	1/1/1981	8,576	0
TRANSFORMERS-PAD TYPE-333KVA	1/1/1997	8,882	6,217
	9/1/2005	30,246	29,909
TRANSFORMERS-PAD TYPE-500KVA	1/1/1981	14,747	0
	1/1/1984	14,234	3,795
	12/31/2002	67,060	60,354
TRANSFORMERS-PAD TYPE-650KVA	1/1/1970	12,789	0
TRANSFORMERS-PAD TYPE-750KVA	1/1/1981	9,858	0
TRANSFORMERS-POLE TYPE-100KV	1/1/1981	4,319	720
	1/1/1987	10,343	3,793
	1/1/1988	20,712	7,692
	1/1/1989	35,902	15,557
	1/1/1992	23,673	12,626
	1/1/1993	6,862	3,889
	1/1/1995	44,407	19,003
	1/1/1997	7,899	5,530
	12/31/1997	19,435	14,252
	12/31/1998	4,674	3,583
	12/30/1999	57,183	45,747
	12/30/2000	28,672	22,185
	12/31/2001	3,204	2,777
	12/31/2004	33,592	32,379
TRANSFORMERS-POLE TYPE-10KVA	1/1/1981	5,514	0
	1/1/1985	6,735	2,020
	1/1/1987	2,711	994
	1/1/1988	1,829	732
	1/1/1989	1,096	475
	1/1/1990	795	371
	1/1/1996	769	512
	1/1/1997	1,243	870
	12/31/1998	7,372	5,651
	12/30/1999	2,543	2,034
	12/30/2000	1,236	1,026
	12/31/2002	1,995	1,795
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	8,739	0
	1/1/1990	2,580	1,204
	1/1/1991	346	173
	1/1/1992	345	184
TRANSFORMERS-POLE TYPE-167KV/	1/1/1984	2,733	729
	1/1/1997	7,966	5,576
	12/31/1997	15,627	11,460
	12/30/1999	27,211	21,768
	12/30/2000	11,897	9,881
	12/31/2001	16,085	13,940
	12/31/2002	11,966	10,769
	12/31/2005	11,550	11,518
TRANSFORMERS-POLE TYPE-25KVA	1/1/1981	44,827	0
	1/1/1984	64,363	17,163
	1/1/1985	22,561	6,768
	1/1/1987	15,989	5,038
	1/1/1988	580	232
	1/1/1989	42,933	18,604
	1/1/1991	22,789	11,395
	1/1/1992	36,846	19,651
	1/1/1993	6,963	3,946

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1994	2,611	1,567
	1/1/1995	7,585	4,804
	1/1/1996	17,152	10,326
	1/1/1997	59,183	41,429
	12/31/1997	24,872	18,239
	12/31/1998	49,086	37,632
	12/30/1999	17,979	14,384
	12/30/2000	12,031	9,993
	12/31/2001	10,833	9,388
	4/1/2002	1,479	1,475
	12/31/2002	21,156	17,547
	5/1/2003	3,013	2,746
	12/31/2003	40,221	37,428
	1/1/2004	1,375	1,371
	4/1/2004	1,354	0
	12/31/2004	7,990	7,701
	1/1/2005	1,521	1,470
	5/1/2005	1,507	1,473
	5/5/2005	1,272	1,243
	8/17/2005	4,436	4,374
	8/18/2005	1,479	1,458
	8/26/2005	1,995	1,968
	11/19/2005	1,316	1,309
	12/31/2005	2,632	2,625
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1981	30,723	1,124
	1/1/1982	8,996	1,799
	1/1/1985	3,012	903
	1/1/1986	9,223	3,074
	1/1/1987	1,710	627
TRANSFORMERS-POLE TYPE-50KVA	1/1/1983	133,135	31,065
	1/1/1985	52,901	15,870
	1/1/1986	23,324	7,774
	1/1/1989	67,824	29,390
	1/1/1990	36,152	16,871
	1/1/1991	41,211	20,606
	1/1/1992	30,104	16,055
	1/1/1993	95,280	53,991
	1/1/1995	39,978	25,319
	1/1/1996	24,272	13,954
	1/1/1997	10,019	7,013
	12/31/1997	45,094	33,069
	12/31/1998	48,242	36,985
	12/30/1999	44,179	35,343
	12/30/2000	42,416	32,809
	12/31/2001	24,901	21,581
	1/1/2002	3,838	3,827
	12/31/2002	26,123	23,510
	12/31/2003	26,714	24,859
	8/31/2004	5,645	5,635
	9/28/2004	1,862	1,857
	12/31/2004	17,087	16,470
	11/10/2005	3,724	3,704
	11/14/2005	2,009	1,998
	12/31/2005	5,645	5,629
TRANSFORMERS-POLE TYPE-5KV	1/1/1981	691	0
TRANSFORMERS - POLE TYPE-75KV	1/1/1984	32,297	8,613
	1/1/1985	34,266	10,280

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1986	13,965	4,655
	1/1/1988	17,352	6,940
	1/1/1989	35,809	15,518
	1/1/1990	51,764	24,156
	1/1/1991	39,206	19,603
	1/1/1993	25,892	14,673
	1/1/1994	24,730	14,838
	1/1/1995	33,622	21,294
	1/1/1996	8,710	5,807
	1/1/1997	53,532	37,473
	12/31/1997	17,006	12,471
	12/31/1998	47,273	36,243
	12/30/1999	42,038	33,630
	12/30/2000	12,276	10,196
	12/31/2001	7,364	6,382
	12/31/2002	2,420	2,178
	12/31/2003	12,944	12,045
	9/6/2004	2,511	2,399
	12/31/2004	20,270	19,538
	1/30/2005	2,499	2,492
	5/19/2005	2,575	2,568
	8/15/2005	5,249	5,205
	8/17/2005	7,778	7,670
	8/18/2005	2,625	2,617
	9/1/2005	2,446	2,440
	12/31/2005	9,986	9,958

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	55,294	0
	1/1/1983	74,510	17,385
	1/1/1984	14,976	3,993
	1/1/1985	63,381	19,014
	1/1/1986	11,912	3,971
	1/1/1987	1,793	657
	1/1/1988	3,490	742
	1/1/1989	24,236	10,503
	1/1/1990	3,692	1,722
	1/1/1991	4,451	2,226
	1/1/1992	5,693	3,036
	1/1/1993	65,838	37,308
	1/1/1995	19,844	12,568
	1/1/1996	361	241
	1/1/1997	5,651	3,956
	12/31/1997	17,215	12,624
	12/31/1998	5,190	3,979
	12/30/1999	1,902	1,521
	12/30/2000	14,696	10,303
	12/31/2001	1,309	1,135
	12/31/2002	12,602	11,342
	12/31/2005	6,315	6,298

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
METERING TANKS	1/1/1981	19,992	0

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	49,397	0
	1/1/1984	8,701	1,823
	12/31/1984	163	49
	1/1/1985	36,309	9,130
	1/1/1986	24,120	8,040
	1/1/1987	27,332	8,366
	1/1/1988	51,313	18,360
	1/1/1989	46,628	20,205
	1/1/1990	71,173	26,422
	1/1/1991	49,780	24,018
	1/1/1992	37,180	15,539
	1/1/1993	25,501	14,450
	1/1/1995	29,091	18,424
	1/1/1996	27,234	17,940
	1/1/1997	53,164	36,808
	12/31/1997	56,035	41,089
	12/31/1998	43,217	32,423
	12/30/1999	37,426	28,621
	12/30/2000	37,066	30,786
	12/31/2001	29,910	25,676
	12/31/2002	25,937	12,944
	12/31/2003	6,163	0
	12/31/2004	11,198	10,793
	12/31/2005	12,085	12,051

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	1/1/1983	465	108
	1/1/1987	472	174
	1/1/1988	413	165
	1/1/1992	269	143
	12/31/2001	827	717
	12/31/2005	6,971	6,952
STREET LIGHTS - 250 MERC VAP	1/1/1981	28,585	0
	1/1/1982	5,140	1,028
	1/1/1990	238	111
	1/1/1991	127	64
STREET LIGHTS - 400 HPS	1/1/1997	136	95
	12/31/2002	967	871
	12/31/2003	2,658	2,473
	12/31/2004	843	812
STREET LIGHTS - 100 HPS	1/1/1985	717	216
	1/1/1986	367	122
	1/1/1987	4,434	1,626
	1/1/1988	16,931	6,772
	1/1/1989	14,473	6,272
	1/1/1990	27,337	12,757
	1/1/1991	183	91
	1/1/1992	15,846	8,451
	1/1/1993	17,335	9,823
	1/1/1995	10,993	6,608
	1/1/1996	12,162	8,107
	1/1/1997	11,253	7,877
	12/31/1997	22,788	16,712
	12/31/1998	18,715	14,293
	12/30/1999	8,627	6,901
	12/30/2000	11,414	9,479
	12/31/2001	15,645	13,559
	12/31/2002	10,546	9,491
	12/31/2003	20,269	18,861
	12/31/2004	40,709	35,543
	11/24/2005	5,546	5,531
	12/31/2005	17,390	17,342

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1981	31,739	0
	1/1/1986	602	201
	1/1/1987	1,392	510
	1/1/1988	9,216	3,686
	1/1/1989	2,646	1,147
	1/1/1990	784	0
	1/1/1991	4,597	2,298
	1/1/1995	3,720	2,356
	1/1/1997	759	531
	12/31/1998	4,784	3,730
	12/30/1999	1,675	1,340
	1/1/2002	60,023	25,522
POLE HARDWARE	1/1/1970	8,669	0
	1/1/1981	627,943	11,014
	1/1/1982	138,411	27,682
	1/1/1983	73,910	17,246
	1/1/1984	201,919	53,845
	12/31/1984	163	49
	1/1/1985	172,491	50,509
	1/1/1986	60,878	20,293
	1/1/1987	38,151	11,794
	1/1/1988	31,627	6,269
	1/1/1989	74,622	32,337
	1/1/1990	43,984	16,072
	1/1/1991	46,633	22,935
	1/1/1992	83,087	38,696
	1/1/1993	124,423	64,759
	1/1/1994	59,216	30,180
	1/1/1995	197,574	118,881
	1/1/1996	99,814	60,356
	1/1/1997	83,135	50,758
	12/31/1997	183,427	133,149
	12/31/1998	207,760	158,232
	12/30/1999	72,896	58,317
	12/30/2000	276,298	195,236
	12/31/2001	78,619	66,331
	1/1/2002	241,036	102,470
	12/31/2002	189,568	166,750
	12/31/2003	64,844	57,319
	12/31/2004	194,265	178,237
	9/1/2005	142,339	118,977
	11/24/2005	217,004	211,312
	12/31/2005	28,466	28,387
POLE STRUCUTRES WOOD TYPE OT	10/1/1982	57,202	12,870
POLES - CONCRETE 30'	1/1/1981	858	0
	11/24/2005	1,127	1,124
POLES-CONCRETE 35'	1/1/1997	1,640	1,148
POLES-CONCRETE 40'	11/24/2005	9,351	9,325
POLES - WOOD 30'	1/1/1981	129,218	0
	1/1/1983	3,659	854
	1/1/1984	13,572	3,353
	1/1/1985	17,464	3,603
	1/1/1986	15,794	5,265
	1/1/1987	15,101	3,821
	1/1/1988	33,496	10,565
	1/1/1989	25,261	10,166

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Load Served - **Happy Valley/ Goose Bay** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1990	64,633	21,021
	1/1/1991	24,500	12,250
	1/1/1992	14,886	4,382
	1/1/1993	11,251	6,375
	1/1/1995	19,068	12,076
	1/1/1996	16,834	10,673
	1/1/1997	14,502	10,151
	12/31/1997	9,921	7,275
	12/31/1998	38,420	29,468
	12/30/1999	1,481	1,185
	12/30/2000	6,686	5,297
	12/31/2001	1,735	1,504
	12/31/2002	6,662	5,996
	12/31/2003	4,247	3,952
	12/31/2004	16,841	15,406
	12/31/2005	1,568	1,563
POLES-WOOD 35'	1/1/1981	508,461	855
	1/1/1982	34,980	6,996
	1/1/1987	2,305	0
	1/1/1988	19,535	6,214
	1/1/1989	21,406	2,257
	1/1/1990	39,751	13,227
	1/1/1991	27,731	12,725
	1/1/1992	25,107	10,842
	1/1/1993	11,618	6,584
	1/1/1994	1,914	1,148
	1/1/1995	18,772	11,889
	1/1/1996	7,640	5,094
	1/1/1997	17,737	11,941
	12/31/1997	29,792	21,847
	12/31/1998	39,815	27,321
	12/30/1999	13,613	10,891
	12/30/2000	46,629	32,813
	12/31/2001	28,377	24,594
	1/1/2002	922,155	391,341
	12/31/2002	44,848	40,014
	12/31/2003	71,230	66,284
	12/31/2004	43,662	42,085
	7/8/2005	1,360	1,338
	11/24/2005	1,323	1,319
	12/31/2005	2,652	2,645
POLES-WOOD 40'	1/1/1970	477	0
	1/1/1981	178,132	0
	1/1/1983	4,825	1,126
	1/1/1984	41,784	10,875
	1/1/1985	26,718	7,363
	1/1/1986	29,117	9,706
	1/1/1987	23,400	7,187
	1/1/1988	38,857	8,524
	1/1/1989	43,745	18,956
	1/1/1990	16,805	6,009
	1/1/1991	29,973	14,987
	1/1/1992	28,266	12,391
	1/1/1993	59,525	33,732
	1/1/1994	8,371	5,023
	1/1/1995	39,541	21,389
	1/1/1996	25,775	10,238

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1997	18,666	12,543
	12/31/1997	51,777	37,970
	12/31/1998	106,476	80,075
	12/30/1999	4,059	3,248
	12/30/2000	15,019	11,671
	12/31/2001	7,328	4,619
	12/31/2002	8,978	8,080
	12/31/2003	12,506	11,638
	12/31/2004	18,378	17,714
	9/1/2005	18,673	18,621
	11/24/2005	7,790	7,768
	12/31/2005	14,762	14,721
POLES-WOOD 45'	1/1/1981	59,464	0
	1/1/1982	693	139
	1/1/1984	5,578	1,488
	1/1/1985	2,819	846
	1/1/1986	1,061	353
	1/1/1987	3,009	787
	1/1/1988	4,379	1,752
	1/1/1989	2,144	929
	1/1/1990	1,168	545
	1/1/1991	5,143	2,571
	1/1/1992	10,068	5,369
	1/1/1993	17,489	9,911
	1/1/1994	43,960	26,376
	1/1/1995	6,044	2,989
	1/1/1997	16,708	11,142
	12/31/1997	12,001	8,801
	12/31/1998	24,224	18,384
	12/30/1999	21,864	17,492
	12/30/2000	48,397	31,147
	12/31/2001	10,779	9,342
	12/31/2002	83,359	75,023
	12/31/2003	9,741	9,065
	12/31/2004	26,229	25,282
	9/1/2005	124,010	103,195
	11/24/2005	11,482	11,450
	12/31/2005	5,822	5,806
POLES-WOOD 50'	1/1/1981	3,691	0
	1/1/1988	2,644	1,058
	12/30/2000	3,161	1,951
	11/24/2005	1,971	1,965
POLES-WOOD 55'	1/1/1981	4,784	0
	1/1/1993	5,152	2,919
	1/1/1997	2,131	1,492
	12/31/1997	5,288	3,878
	12/30/1999	2,970	2,376
	12/30/2000	5,053	3,119
	11/24/2005	2,616	2,609
POLES-WOOD 60'	1/1/1981	3,912	0
	12/31/2002	2,545	2,291
	12/31/2003	3,036	2,825
POLES-WOOD 70'	1/1/1981	1,889	315

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
FENCING	1/1/1970	5,113	0
	1/1/1981	5,317	0
	3/21/1996	4,970	3,962
LAND IMPROVEMENTS	3/21/1996	56,296	44,880
RIGHT - OF - WAYS	1/1/1981	156,134	0
	10/1/1982	11,838	2,664
	1/1/1993	17,561	9,951
	1/1/1997	19,282	13,498
	12/31/1998	33,323	25,679
	12/30/2000	1,110	685
	1/1/2002	36,828	15,658
	12/31/2002	2,221	1,999
ROADS	12/31/2002	4,148	3,734

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	10/3/2000	13,755	6,534
	6/21/2001	2,104	1,140
BATTERY CHARGERS	8/9/2000	15,742	7,215
	9/19/2001	15,381	8,972
BUILDINGS-FIBERGLASS	1/1/1978	29,747	0
BUILDINGS-OFF LOADING MODULE	12/19/1997	6,277	3,740
BUILDINGS-WOODEN	1/1/1975	238,148	0
	9/2/1983	11,800	0
	11/2/1983	21,190	0
	12/16/1983	23,490	0
	10/16/1984	6,679	0
	4/27/1985	10,618	0
	11/30/1985	10,208	0
	10/31/1989	7,424	1,392
	10/31/1990	6,802	0
	10/23/1992	14,947	5,044
	9/15/1996	41,891	22,342
	9/28/2001	45,647	35,757
COMPUTERS	2/13/1998	2,217	0
	4/7/1998	0	0
	12/21/1998	2,802	0
	9/24/1999	3,966	0
	6/12/2000	7,811	0
	12/28/2000	3,992	2,328
	6/21/2001	25,076	2,090
	9/8/2003	7,983	4,657
	9/9/2003	30,001	17,500
	9/10/2003	10,301	6,009
	10/31/2003	18,314	10,684
	12/31/2003	10,559	6,159
	3/8/2004	1,472	932
	3/29/2004	1,947	1,233
	12/15/2004	14,534	11,385
	12/17/2004	1,472	1,153
	5/26/2005	2,660	2,305
	5/27/2005	7,004	6,070
	6/6/2005	2,183	1,929
FENCING	12/16/1983	25,871	0
	1/1/1988	18,453	1,845
	10/23/1992	5,044	1,702
FIRE FIGHTING - OTHER	6/17/1983	1,213	0
	11/16/1983	37	0
LAND ACQUISITIONS	4/8/1993	1,200	1,200
	7/7/1993	1,200	1,200
	8/18/2003	90,000	90,000
LAND IMPROVEMENTS	12/1/1981	33,530	0
	9/11/1987	4,788	399
	10/25/1988	76,224	10,481
	11/17/1988	9,789	1,387
	11/20/1991	3,405	993
LINE COUPLING EQUIPMENT	1/1/1978	1,975	0
MICROWAVE DISH	3/27/1992	65,079	0
MISC UNITS OF PROP	11/15/1999	10,271	7,104
MOBILE - A.T.V.'S	8/25/2005	22,240	21,004
MOBILE - SNOWMOBILES	3/10/2004	5,500	3,820
	3/18/2004	5,500	3,820

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
MOBILE - TRAILERS	6/1/1981	9,328	0
	9/25/1989	26,303	0
	5/8/2001	1,855	1,020
	12/12/2001	9,270	5,485
	12/9/2003	15,998	12,665
MULTIPLEX EQUIPMENT	1/1/1980	57,249	0
	3/27/1992	105,267	0
OFFICE EQUIPMENT-MECHANICAL	4/1/1986	3,972	0
	9/16/1994	2,143	0
	8/22/1997	10,282	1,628
	11/12/1999	2,035	780
	5/24/2000	1,750	0
	6/5/2000	7,061	0
	5/14/2003	2,669	1,557
OFFICE FURNITURE	9/30/1999	2,702	991
	12/8/1999	10,593	4,149
	4/12/2000	6,740	2,864
	12/4/2000	6,839	3,363
POLE LINES WOOD (TELECONTROL)	10/31/1990	4,743	0
	3/27/1992	430	0
POWER LINE CARRIER EQUIPMENT	1/1/1978	20,393	0
	1/1/1980	4,881	0
POWER SYSTEM - BATTERY BANK	10/27/1989	13,813	0
POWER SYSTEM - BATTERY CHARGI	3/27/1992	9,226	0
POWER SYSTEM - INVERTERS	1/1/1998	2,673	535
PWR SYS-SUPPLY SERV & EQP	3/27/1992	2,350	0
	2/25/2000	1,565	639
PRINTERS	4/23/1999	1,864	0
	9/24/1999	2,357	0
	10/25/1999	2,085	0
	5/30/2000	2,214	0
	6/12/2000	2,214	0
	4/11/2005	2,570	2,270
	5/12/2005	1,990	1,725
RADIOS - FIXED VHF EQUIPMENT	11/13/1992	161,679	0
RADIOS-FIXED VHF REPEATOR EQP	1/1/1974	3,750	750
	1/1/1978	23,649	0
	10/31/1990	11,506	0
RADIOS - MOBILE VHF BASE STN	8/2/1985	3,321	0
RADIOS - MOBILE VHF (MOBILE)	1/1/1970	2,500	250
	1/21/1982	10,588	0
	6/1/1983	7,750	0
	8/2/1985	16,650	0
	11/15/1987	3,439	100
	11/26/1990	6,326	0
	9/20/1994	2,815	0
	7/20/2000	4,530	2,039
ROUTERS & LANS	12/21/2000	28,441	0
	1/10/2001	8,645	848
	10/25/2004	23,295	17,471
	12/7/2005	1,609	1,595
	12/31/2005	1,758	1,729
SCADA - COMPUTERS (HARDWARE)	3/27/1992	49,148	0
SCADA - REMOTE TERM UNIT (RTU)	11/15/1989	27,913	0
	3/27/1992	3,501	0
	9/17/2004	69,371	60,122
SERVERS	12/31/1998	7,052	1,292

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/6/2004	19,332	14,499
TELECONTROL MISC EQUIPMENT	1/31/1992	7,322	0
	11/13/1992	130,522	0
	12/31/2004	5,087	4,536
TELEPHONE APPARATUS	1/1/1980	36,018	0
	3/27/1992	50,379	0
	5/27/1993	5,982	0
	1/1/1998	10,920	2,184
TEST EQUIPMENT - GENERAL	12/1/1970	2,300	0
	7/2/1971	4,158	0
	3/23/1975	2,212	0
	7/3/1977	0	0
	12/31/1977	0	0
	6/30/1980	8,011	0
	5/17/1985	3,181	0
	8/29/1986	4,141	0
	10/1/1987	5,871	0
	1/1/1988	7,037	0
	4/18/1988	5,477	0
	11/16/1988	8,070	0
	1/1/1989	14,860	0
	11/19/1989	29,288	0
	12/31/1989	0	0
	8/22/1990	4,216	0
	7/9/1992	8,328	0
	4/21/1995	0	0
TOOL'S & EQUIPMENT - GENERAL	1/1/1975	1,470	0
	7/16/1981	4,784	0
	7/30/1981	2,775	0
	9/18/1981	10,658	0
	12/1/1981	2,237	0
	9/1/1982	5,820	0
	9/1/1983	3,018	0
	6/12/1984	932	0
	7/11/1984	4,243	0
	7/21/1984	1,624	0
	8/9/1984	3,711	0
	5/24/1985	2,240	0
	1/7/1986	6,936	0
	9/21/1988	3,399	0
	3/25/1989	3,226	0
	7/27/1989	11,311	0
	12/31/1989	0	0
	3/7/1990	2,458	0
	6/5/1990	10,088	0
	10/31/1990	5,600	0
	11/28/1991	3,043	0
	12/18/1991	4,277	0
	7/20/1992	3,380	0
	9/25/1992	16,311	0
	10/5/1992	3,057	0
	12/6/1993	1,461	0
	8/10/1994	13,810	0
	3/21/1995	2,815	0
	12/11/1995	4,384	0
	12/6/1996	8,108	0
	1/6/1997	4,198	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Happy Valley/ Goose Bay** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/4/1997	3,286	0
	2/19/1997	3,215	0
	2/25/1997	459	0
	6/27/1997	14,696	0
	10/30/1998	15,855	0
	5/7/1999	2,248	749
	5/13/1999	6,325	2,108
	8/13/1999	4,000	1,433
	9/28/1999	2,055	0
	12/6/1999	1,313	514
	1/25/2000	1,415	0
	2/17/2000	1,040	0
	5/9/2000	18,297	4,296
	8/2/2000	6,925	0
	8/22/2000	4,650	0
	7/13/2001	1,439	144
	8/17/2001	1,439	168
	12/11/2001	5,725	3,387
	12/31/2001	22,825	4,565
	7/21/2003	2,180	1,090
	3/16/2005	5,296	4,413
	6/28/2005	1,389	1,227
	10/27/2005	1,799	1,709
	11/14/2005	4,270	4,128
VEHICLES - 1/2 TON PICK-UPS	6/1/1996	20,146	0
	1/19/2000	24,195	0
	2/10/2000	20,642	0
	7/11/2002	30,990	13,343
	11/3/2003	37,091	24,212
VEHICLES - 1/4 TON PICK-UPS	7/24/2003	19,485	11,366
	8/9/2004	21,073	16,097
VEHICLES - BOOMS & CRANES	12/19/1991	75,738	0
	6/1/1995	18,000	0
	4/6/2001	30,161	1,508
	11/12/2002	22,220	8,147
VEHICLES - BOOMS/STAKE BODIES	6/1/1995	49,082	0
VEHICLES - CAB & CHASSIS	6/1/1995	38,500	0
	1/19/2001	40,329	0
	2/5/2002	110,138	23,863
VEHICLES - CARS & STN WAGONS	1/1/2000	13,000	0
	2/4/2004	21,534	13,279
	5/16/2005	17,607	15,259
VEHICLES - LINE BODIES	6/1/1995	15,000	0
	4/6/2001	18,000	900
VEHICLES - VANS & 4 X 4	1/6/1998	19,892	0
	3/22/2000	40,056	0
YARD STORAGE RAMPS	12/31/2001	9,233	7,386
Happy Valley/ Goose Bay		$67,475,143	$36,116,138

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
AUXILIARY POWER - DIESEL UNIT	6/30/1998	17,999	11,229
BATTERY BANKS	1/15/1978	10,357	8,630
BATTERY CHARGERS	1/15/1978	7,120	5,934
BUILDINGS-AUXILIARY BUILDING	10/8/1982	20,846	0
BUILDINGS-CONCRETE	9/12/1990	2,278	532
BUILDINGS-METAL	6/1/1970	43,826	4,200
	1/15/1976	73,440	0
	8/15/1976	63,142	0
	1/15/1978	566,427	169,061
	6/15/1978	54,606	0
	8/2/1981	249,006	0
	1/1/1986	11,013	0
	1/15/1987	189,624	18,172
	1/15/1991	351,844	14,320
	8/29/1991	54,675	15,262
	12/2/1991	152,886	45,229
	1/1/1992	7,552	2,265
	1/15/1993	383,003	127,546
	4/1/2001	41,406	31,572
	9/21/2002	822,079	685,066
	12/31/2005	110,634	110,226
BUILDINGS-TRAILERS	6/1/1981	9,750	0
	1/1/1983	3,730	0
	1/1/1984	174,211	0
	10/23/2000	60,445	44,578
BUILDINGS-WOODEN	1/1/1965	27,000	0
	1/1/1970	22,250	0
	1/15/1975	599,016	269,557
	2/15/1978	7,578	4,516
	6/15/1978	22,172	15,428
	10/1/1981	12,375	0
	12/16/1981	24,110	0
	1/15/1982	165,995	30,265
	11/16/1983	1,500	0
	9/15/1987	682,507	93,338
	12/2/1987	177,456	17,011
	11/30/1988	17,025	2,412
	12/15/1989	9,635	1,887
	1/15/1990	200,046	95,022
	12/5/1994	245,756	109,566
	1/15/1995	61,806	27,813
	10/19/1995	7,578	4,516
	2/15/1996	17,760	8,954
	10/23/2000	19,413	14,317
	12/30/2000	61,356	45,761
	7/29/2001	408,438	317,001
	10/21/2005	4,972	4,910
	12/31/2005	8,470	8,444
BUSWORK AND HARDWARE	12/8/1992	26,902	9,304
CABLES - CONTROL	12/2/1987	20,506	1,965
	12/19/1987	2,753	264
	9/1/1988	2,521	336
	10/26/1990	11,292	2,682
	11/25/1990	2,778	671
	12/8/1992	18,369	6,353
	4/20/1994	47,269	28,755

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Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CABLES - POWER 5KV & ABOVE	9/21/2002	25,892	21,577
CABLES - POWER CABLE	1/1/1970	307	0
	10/2/1980	1,809	0
	8/2/1981	4,420	0
	12/16/1981	975	0
	1/1/1982	2,567	513
	11/16/1983	304	0
	11/2/1985	4,912	0
	10/2/1987	1,923	753
	12/19/1987	2,177	209
	9/1/1988	5,560	741
	10/26/1990	51,864	12,318
	11/25/1990	10,652	2,574
	11/25/1992	20,743	7,087
	12/30/2000	10,046	7,492
	12/19/2002	1,742	1,473
	12/31/2002	6,960	5,916
	10/12/2003	34,133	30,293
	10/17/2003	2,905	2,687
CABLES - TRAYS AND CONDUIT	11/19/1992	2,052	1,151
COMPRESSED AIR STARTING SYSTE	4/1/2001	47,958	36,568
	9/21/2002	81,452	67,877
COMPRESSED AIR SYS-INTR AIR DR	11/20/2000	41,429	30,726
COMPUTERS	1/15/1975	85,746	38,585
	1/15/1991	49,397	26,757
	1/15/1993	41,647	17,180
CONDUCTOR - PRIMARY	12/31/2003	3,496	3,253
CTL/METER/RELAYING - OTHER	4/30/1992	22,210	6,941
	12/8/1992	4,599	1,591
COOLING SYSTEMS	1/15/1980	23,201	0
	10/2/1980	771	0
	2/16/1981	4,570	0
	8/2/1981	4,550	0
	10/8/1982	614	0
	1/1/1987	21,561	1,077
	1/20/1992	37,915	11,375
	12/8/1992	90,949	31,452
	4/20/1994	173,823	71,702
	1/13/1995	100,571	45,258
	1/15/1995	155,574	70,009
	6/30/1998	346,143	214,897
	11/30/1998	12,341	7,918
	12/30/2000	43,829	32,689
	12/19/2002	15,886	13,437
	12/31/2002	23,469	19,851
CRANE - OVERHEAD	11/29/1989	23,800	4,562
	10/15/1993	15,442	5,984
	9/21/2002	84,149	70,124
DIESEL COOLING SYSTEM	9/21/2002	191,090	159,242
DIESEL ENGINES - DIESEL GEN	1/1/1968	526	0
	10/2/1980	6,240	0
	12/1/1980	21,338	0
	12/16/1981	32,439	0
	12/21/1981	35,000	0
	2/28/1982	27,481	0
	7/1/1982	2,224	0
	11/16/1983	16,086	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1984	8,173	0
	10/16/1984	5,794	0
	12/10/1986	21,133	8,802
	12/2/1987	27,081	2,595
	9/1/1988	85,093	11,345
	11/25/1990	23,140	5,592
	11/30/1997	293,343	173,562
	6/30/1998	1,270	788
	4/1/2001	987,418	752,906
	12/15/2001	182,739	145,430
	9/21/2002	364,782	303,985
	4/8/2005	107,754	103,713
	12/31/2005	60,799	60,546
DIESEL ENGINES	1/1/1965	33,660	0
	1/1/1968	3,880	0
	1/15/1980	84,336	20,030
	10/2/1980	29,640	0
	12/1/1980	44,325	0
	12/16/1981	80,511	0
	11/16/1983	33,500	0
	1/1/1984	23,764	0
	12/10/1986	71,464	3,275
	12/19/1987	133,042	12,750
	1/1/1988	112,844	11,283
	11/29/1988	22,220	3,149
	1/15/1990	268,534	63,777
	11/25/1990	23,140	5,592
	12/31/1991	179,718	53,916
	12/21/1992	28,368	9,811
	3/22/1993	107,516	38,526
	8/2/1993	15,798	5,990
	4/20/1994	768,051	316,821
	1/15/1995	513,804	231,213
	3/21/1996	135,601	68,931
	12/23/1996	151,537	82,714
	3/30/1997	128,106	71,526
	10/31/1997	10,663	6,265
	11/7/1997	198,510	118,439
	12/1/1997	33,260	19,818
	6/30/1998	103,078	63,995
	7/24/1998	104,200	65,126
	11/6/1998	8,428	5,408
	11/18/1998	13,908	8,936
	11/30/1998	757,044	485,769
	12/31/1998	33,502	25,685
	1/7/2000	325,874	228,112
	2/18/2000	202,716	142,746
	10/25/2000	16,210	11,955
	12/30/2000	381,021	279,531
	3/30/2001	5,607	4,252
	9/21/2002	1,381,061	1,150,884
	12/19/2002	158,158	133,776
	12/31/2002	171,169	144,780
	3/28/2003	103,441	84,734
	12/15/2003	250,631	213,111
	12/31/2003	39,390	29,132
	1/1/2005	123,627	117,446

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/27/2005	123,627	122,597
	12/31/2005	92,914	92,527
DYKES AND LINERS	10/2/1980	53,901	0
	8/2/1981	83,571	0
	12/16/1981	44,929	0
	12/21/1981	41,172	0
	11/1/1982	89,896	0
	7/18/1983	68,477	0
	11/16/1983	95,240	0
	8/17/1985	95,906	0
	9/1/1985	115,605	0
	1/2/1987	63,178	3,159
	11/10/1987	30,920	2,834
	12/8/1987	87,892	8,423
	9/12/1990	142,309	33,206
	9/18/1990	121,923	28,449
	8/22/1991	40,042	11,178
	10/16/1992	217,059	73,258
	10/31/1998	39,597	25,243
	9/8/2002	75,888	63,240
	12/31/2005	16,514	16,445
FENCING	1/15/1975	7,065	3,179
	8/15/1976	26,207	0
	1/15/1978	29,623	5,678
	1/15/1982	38,385	0
	10/8/1982	15,799	0
	11/1/1983	28,599	0
	8/15/1984	21,240	0
	9/12/1984	31,297	0
	1/2/1987	33,267	1,664
	9/15/1987	73,936	7,085
	10/4/1991	48,327	13,894
	10/16/1992	2,512	848
	11/19/1992	5,289	2,968
	12/8/1992	57,033	19,724
	11/2/1999	29,929	20,701
	12/4/2000	11,189	8,345
	9/21/2002	20,008	16,673
	12/31/2005	5,325	5,303
FIRE FIGHTING - OTHER	1/15/1976	34,633	30,881
	6/15/1978	40,186	33,991
	8/15/1980	39,396	28,726
	1/15/1982	112	0
	1/15/1990	35,507	26,334
	11/21/2003	29,142	25,985
FOUNDATIONS (CONC) FOR BLDGS	1/1/1965	9,000	0
	1/1/1970	6,750	0
	10/2/1980	47,655	0
	10/1/1981	4,125	0
	12/16/1981	30,098	0
	11/16/1983	9,000	0
	11/29/1989	68,486	13,126
	9/30/1996	57,456	30,644
	9/21/2002	281,867	234,889
FOUNDATIONS (CONC) FOR EQUIP	1/1/1965	345	0
	1/1/1970	330	0
	10/2/1980	180	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/2/1981	340	0
	11/16/1983	200	0
	9/21/2002	258,921	215,767
FUEL OIL STORAGE TANKS	1/15/1978	128,270	81,772
	12/2/1987	28,689	2,749
	10/16/1992	133,583	45,084
	11/22/1995	122,304	60,133
	12/20/1998	80,138	51,756
	1/31/1999	38,648	25,121
	5/31/2001	280,889	214,612
	9/8/2002	182,379	151,983
	9/21/2002	77,676	64,730
	10/26/2003	19,911	16,749
	11/7/2003	8,995	7,703
	12/15/2005	91,391	91,011
	12/31/2005	39,405	39,296
FUEL PIPE & TRANS FACILITIES	12/31/1956	11,786	11,736
	1/1/1970	800	0
	1/15/1975	44,416	19,987
	3/30/1980	4,224	0
	10/2/1980	174,611	58,392
	8/2/1981	73,738	18,827
	11/1/1981	9,396	0
	11/16/1981	7,373	0
	12/16/1981	102,016	0
	12/21/1981	73,130	0
	10/16/1983	15,695	0
	11/16/1983	81,604	0
	8/1/1985	41,514	34,920
	8/17/1985	37,736	0
	11/10/1987	14,448	1,325
	12/2/1987	46,187	4,426
	12/8/1987	10,911	1,046
	1/1/1988	49,654	4,965
	9/28/1989	95,829	17,570
	11/29/1989	63,133	12,101
	9/12/1990	28,797	6,719
	9/18/1990	32,191	7,511
	9/25/1990	6,711	1,566
	12/31/1990	213,869	53,467
	8/22/1991	49,107	13,709
	10/4/1991	32,621	9,378
	10/16/1992	4,464	1,506
	11/6/1992	90,881	31,051
	11/19/1992	6,015	2,055
	1/4/1993	118,761	41,568
	12/15/1993	255,575	101,165
	4/20/1994	32,692	13,485
	1/15/1995	91,398	41,129
	3/31/1996	49,145	24,982
	11/30/1998	12,162	7,804
	11/30/1999	38,175	26,404
	9/8/2002	79,777	66,481
	9/21/2002	128,886	107,405
	11/7/2003	21,689	18,573
	11/30/2005	15,822	15,690
	12/31/2005	17,864	17,789

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
FUEL STORAGE TKS - UNDERGROUI	10/2/1980	20,170	0
	12/21/1981	69,188	0
	1/15/1982	5,250	0
	9/3/1982	104,547	0
	11/1/1982	250,276	0
	9/2/1983	48,759	0
	11/16/1983	5,250	0
	1/1/1984	9,093	0
	8/17/1985	95,571	0
	9/1/1985	85,707	0
	9/19/1985	14,924	0
	9/21/1985	21,157	0
	11/1/1986	23,122	963
	11/15/1986	1,553	65
	1/2/1987	95,822	4,790
	1/15/1987	136,893	47,342
	11/10/1987	221,442	20,298
	12/8/1987	41,192	3,948
	9/12/1990	273,152	63,734
	9/18/1990	168,880	39,407
	9/25/1990	39,808	9,288
	8/22/1991	42,773	11,941
	10/20/1992	3,484	1,176
	11/25/1992	1,159	395
	12/15/1993	26,380	10,442
	12/1/1997	83,702	49,872
	12/4/2000	8,574	6,395
	10/31/2005	75,616	74,671
	12/31/2005	11,786	11,736
GENERATOR - OTHER	4/8/2005	160,634	154,610
GROUNDING	11/27/1987	2,730	1,077
	12/8/1992	102,588	35,478
INSTRUMENTATION - COMPUTER	12/15/1988	172,549	25,163
	4/30/1992	19,933	6,229
	9/21/2002	19,419	16,183
L.V. SWITCHING - BUSWORK	4/20/1994	69,105	42,039
LAND ACQUISITIONS	8/15/1976	1,363	0
	1/15/1978	1,500	1,500
	6/15/1978	3,712	3,712
	10/2/1980	1,785	0
	8/2/1981	500	0
	12/21/1981	500	0
	11/1/1983	300	0
	11/16/1983	100	0
	1/1/1984	830	830
	2/27/1985	900	900
	11/7/1989	250	250
	11/20/1991	2,000	2,000
	9/15/1992	6,650	6,650
	6/3/1997	3,750	3,750
	9/28/2002	3,000	3,000
LAND IMPROVEMENTS	11/16/1983	1,092	0
	1/1/1984	5,066	0
	9/1/1985	7,036	0
	12/2/1987	8,319	798
	12/8/1987	23,409	2,243
	11/29/1989	51,434	9,858

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	4/20/1994	83,193	34,317
	1/15/1995	85,373	38,418
	9/30/1996	101,416	54,089
	12/4/2000	27,237	20,314
	9/21/2002	85,604	71,336
MAIN BREAKERS	1/1/1970	1,200	0
	10/2/1980	1,200	0
	12/16/1981	8,161	0
	12/8/1986	14,775	677
	12/2/1987	10,605	2,342
	9/1/1988	14,413	1,922
	11/1/1991	18,713	5,458
	1/31/1997	4,516	3,161
	6/30/1998	23,611	14,658
	9/12/2003	20,073	17,731
	10/24/2003	22,179	19,684
	11/10/2003	9,589	8,550
MISC UNITS OF PROP	1/15/1978	42,245	27,107
	9/15/1987	42,245	27,107
	11/7/1997	3,613	2,138
	6/30/1998	92,038	57,437
	11/30/1998	14,569	9,349
	12/11/1998	117,259	75,730
	12/15/2003	21,294	19,076
POLE CRIB FOUNDATIONS	11/19/1992	2,863	1,607
POLE HARDWARE	1/1/1970	4,545	0
	1/1/1982	22,727	4,471
	1/1/1983	1,881	229
	11/10/1984	9,010	2,653
	11/22/1984	5,153	1,517
	10/2/1987	1,252	490
	11/27/1987	21,307	8,404
	1/1/1988	5,876	2,351
	9/1/1988	3,725	1,572
	11/25/1990	40,227	19,891
	11/19/1992	77,738	43,620
	12/8/1992	92,571	32,015
	4/20/1994	48,938	29,770
	9/12/2003	12,483	11,512
	10/17/2003	16,860	15,596
	11/10/2003	21,688	20,122
	12/15/2003	10,229	9,518
	12/31/2003	19,019	17,698
	12/5/2004	8,793	8,476
POLES - WOOD 30'	1/1/1982	149	0
	1/1/1983	312	0
POLES-WOOD 35'	1/1/1970	1,427	0
	1/1/1982	159	0
	1/1/1988	2,243	897
	12/8/1992	3,695	1,278
POLES-WOOD 40'	1/1/1970	1,602	0
	1/1/1983	735	0
	11/10/1984	4,082	1,202
	1/1/1987	1,515	548
	9/1/1988	2,147	907
	11/25/1990	1,467	725
	11/19/1992	3,138	1,760

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	10/17/2003	7,675	7,100
	11/10/2003	1,145	1,062
	12/15/2003	1,264	1,176
	12/31/2003	1,165	1,084
POLES-WOOD 45'	11/27/1987	5,139	2,027
	11/19/1992	761	427
	4/20/1994	4,386	2,669
RECLOSERS	1/1/1970	6,256	0
	6/1/1970	23,999	0
	11/24/1993	42,735	25,404
	10/17/2003	50,860	47,045
	10/29/2003	55,658	51,793
	12/31/2003	58,334	54,283
	11/30/2005	95,585	95,054
RECLOSER BY-PASS SWITCHES	6/1/1975	16,992	9,535
	12/8/1992	23,311	8,062
	10/17/2003	1,954	1,807
	12/15/2003	2,218	2,064
REVENUE MTRING-SPEEDOMAX RE(	7/31/1987	5,979	448
ROADS	9/21/2002	39,865	33,221
SEWAGE DISPOSAL SYSTEM	8/15/1980	1,754	855
	12/8/1992	10,970	3,794
	10/19/1995	5,263	2,566
STREET LIGHTS - 250 MERC VAP	12/8/1992	3,120	1,079
STRUCTL SUPPS (WOOD & STEEL)	1/1/1970	519	0
	1/1/1982	3,205	641
	11/10/1984	2,239	659
	11/27/1987	6,869	2,709
	1/1/1988	5,176	2,070
	9/1/1988	3,756	1,586
	11/25/1990	5,515	2,727
	11/19/1992	6,761	3,793
	12/8/1992	9,260	3,203
	4/20/1994	8,958	5,450
	10/17/2003	6,095	5,638
	12/15/2003	6,918	6,438
	12/31/2003	6,721	6,254
SWITCHGEAR	1/1/1968	724	0
	1/1/1970	2,905	0
	10/2/1980	6,240	0
	12/1/1980	7,009	0
	12/16/1981	32,704	0
	11/16/1983	12,149	0
	1/1/1984	8,021	0
	12/10/1986	35,050	1,607
	12/2/1987	101,075	9,688
	12/8/1987	38,743	3,713
	12/19/1987	32,286	3,093
	1/1/1988	6,613	661
	9/1/1988	24,308	3,242
	1/15/1990	64,390	48,025
	11/25/1990	23,140	5,592
	1/15/1991	66,301	22,928
	1/20/1992	47,715	14,315
	12/8/1992	198,904	68,785
	4/20/1994	309,426	127,637
	1/15/1995	17,330	7,798

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Diesel Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	8/21/1995	16,676	7,991
	11/30/1998	80,233	51,483
	5/7/1999	6,722	4,481
	7/30/1999	24,050	16,234
	12/19/2000	81,237	60,589
	12/30/2000	76,150	56,795
	1/5/2001	154,798	114,691
	4/1/2001	82,868	63,187
	5/11/2001	143,293	109,857
	12/15/2001	162,028	128,947
	9/21/2002	855,981	713,319
	12/19/2002	116,719	98,725
	12/31/2002	97,125	82,152
	12/31/2005	97,168	96,763
TOOL'S & EQUIPMENT - GENERAL	1/15/1988	2,822	0
	9/18/1990	3,655	0
	4/20/1994	25,110	10,358
	1/15/1995	3,782	1,702
	10/19/1995	9,934	4,843
	6/23/2000	7,446	0
TRANSFORMERS-CURRENT	11/10/2003	8,011	7,433
TRANSFORMERS-PAD TYPE-333KVA	1/1/1982	25,372	5,074
	11/27/1987	43,431	17,131
	12/8/1992	93,134	32,209
	4/20/1994	124,501	75,738
TRANSFORMERS-PAD TYPE-500KVA	1/1/1982	29,206	5,823
	12/5/2004	20,402	19,665
TRANSFORMERS-POLE TYPE-100KV	1/1/1970	4,413	0
	8/9/1986	5,790	2,043
TRANSFORMERS-POLE TYPE-167KV.	11/22/1984	9,174	2,701
	1/1/1988	14,431	5,772
	9/1/1988	5,113	2,159
	11/25/1990	20,458	10,115
	11/29/1990	31,619	15,634
TRANSFORMERS-POLE TYPE-25KVA	7/3/1982	3,601	549
TRANSFORMERS-POLE TYPE-50KVA	1/1/1970	3,453	0
	10/2/1987	3,264	1,278
TRANSFORMERS - POLE TYPE-75KV.	1/1/1970	3,191	0
	1/1/1983	3,217	0
WATER SUPPLY SYSTEM	1/15/1976	13,007	4,986
	1/15/1991	7,152	2,473
	9/30/1993	13,007	4,986
	11/18/1993	5,876	2,302
WATER SUPPLY SYSTEM - OTHER	12/8/1987	16,327	1,563
WATER SUPPLY SYSTEM - PUMP	1/15/1978	4,659	893
WATER SUPPLY SYSTEM - WELL	10/31/1989	5,500	1,031
	11/29/1989	85,167	16,324

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BATTERY BANKS	1/15/1995	10,747	6,807
BUILDINGS-WOODEN	12/31/2001	46,322	41,690
BUSWORK AND HARDWARE	1/15/1995	29,229	18,512
CABLE TRNCH/DUCT/EMBED CONDU	4/1/2001	17,652	14,857
CABLES - CONTROL	1/15/1995	22,313	14,132
	9/28/2001	10,347	8,105
CABLES - POWER CABLE	4/1/2001	19,752	16,625
	9/28/2001	1,406	904
	12/31/2001	3,252	2,927
CTL/METER/RELAYING - OTHER	1/15/1995	235,706	149,280
CTL/MTR/RELAYING-UNIT CTL PNL	9/28/2001	2,980	2,334
CTL/MTR/RELAYING-UNIT PROT PNL	1/15/1995	63,570	40,261
DISCONNECT SWITCHES	1/15/1995	1,658	1,050
	4/1/2001	10,061	8,468
	9/28/2001	5,318	4,166
L.V. SWITCHING - BUSWORK	1/15/1995	9,930	6,289
POLE HARDWARE	1/1/1970	678	0
	4/1/2001	95,610	80,472
	12/31/2001	9,370	8,433
POLES-WOOD 35'	1/1/1970	513	0
	1/1/1987	3,854	0
POLES-WOOD 40'	4/1/2001	1,146	965
POLES-WOOD 45'	4/1/2001	8,242	6,937
RECLOSERS	10/15/2000	54,803	46,887
	1/1/2001	38,625	32,509
STRUCTL SUPPS (WOOD & STEEL)	1/1/1970	241	0
	1/15/1995	4,295	2,720
	4/1/2001	16,248	13,676
	9/28/2001	8,458	6,626
TRANSFORMERS-CURRENT	4/1/2001	3,065	2,580
	9/28/2001	7,050	5,523
	9/12/2003	8,052	7,426
TRANSFORMERS-PAD TYPE-333KVA	6/1/1970	9,571	3,508
	4/1/2001	67,200	56,560
	12/31/2001	54,706	49,236
TRANSFORMERS-PAD TYPE-500KVA	4/1/2001	94,756	79,753
TRANSFORMERS-POLE TYPE-100KV	1/1/1987	2,134	782
TRANSFORMERS-POLE TYPE-10KVA	9/28/2001	1,752	1,372
TRANSFORMERS-POLE TYPE-25KVA	1/1/1970	356	0
TRANSFORMERS-POLE TYPE-50KVA	1/1/1970	523	0
TRANSFORMERS - POTENTIAL	9/28/2001	8,849	6,932

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - PRIMARY	1/1/1981	117,241	3,018
	1/1/1982	14,271	2,854
	1/1/1983	4,204	981
	1/1/1984	25,947	6,919
	12/31/1984	72,169	21,651
	1/1/1985	4,764	1,429
	1/1/1986	23,882	1,831
	1/1/1987	75,645	22,746
	1/1/1988	141,330	50,803
	1/1/1989	27,733	12,017
	1/1/1990	27,733	12,942
	1/1/1991	32,000	14,408
	1/1/1993	41,902	13,493
	1/1/1994	16,203	9,721
	1/1/1996	12,468	8,313
	1/1/1997	4,779	3,345
	12/31/1997	31,232	22,903
	12/31/1998	10,873	7,139
	12/30/1999	1,161	928
	12/30/2000	8,463	5,812
	12/31/2001	26,296	20,746
	9/21/2002	16,605	14,760
	12/31/2002	25,336	22,803
	12/31/2003	1,059	986
	12/31/2004	81,955	2,176
	12/31/2005	7,605	7,358
DISCONNECT SWITCHES	6/1/1970	1,835	1,039
	12/31/1984	8,734	2,621
	1/1/1991	2,174	1,087
	12/31/2004	8,462	8,157
	12/31/2005	13,439	13,402
POLE HARDWARE	1/1/1994	22,896	13,738
RECLOSERS	12/31/1984	3,771	1,131
	1/1/1991	6,254	3,128
STRUCTL SUPPS (WOOD & STEEL)	1/1/1981	1,075	0
	1/1/1991	4,531	2,265
SWITCHES(LOAD BREAK & ISO SW)	12/31/2004	8,688	8,374

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-CURRENT	12/31/2003	7,638	7,108
TRANSFORMERS-PAD TYPE-333KVA	1/1/1970	3,545	0
	1/1/1981	2,527	589
	1/1/1983	10,107	2,357
TRANSFORMERS-POLE TYPE-100KV	1/1/1987	14,909	5,467
	1/1/1988	10,992	4,397
	12/30/1999	16,111	12,888
	12/30/2000	8,422	6,995
TRANSFORMERS-POLE TYPE-10KVA	1/1/1981	19,161	55
	1/1/1982	1,535	306
	1/1/1984	964	257
	12/31/1984	271	82
	1/1/1991	5,235	2,617
	1/1/1993	711	403
	12/30/2000	1,896	1,575
	12/31/2001	921	798
	12/31/2002	1,409	1,268
	12/31/2003	2,469	2,298
	12/31/2004	3,629	3,498
	7/7/2005	896	894
	8/24/2005	951	948
	10/31/2005	965	957
	12/31/2005	6,551	6,533
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	30,179	730
	1/1/1984	494	132
	1/1/1991	5,139	2,570
	1/1/1993	4,714	539
TRANSFORMERS-POLE TYPE-167KV	12/30/2000	17,522	14,553
TRANSFORMERS-POLE TYPE-25KVA	1/1/1981	7,275	0
	1/1/1984	2,127	568
	1/1/1986	6,862	2,287
	1/1/1987	25,699	9,424
	1/1/1988	1,449	580
	1/1/1989	23,283	10,089
	1/1/1990	4,069	1,899
	1/1/1991	6,477	3,238
	1/1/1993	5,128	2,905
	12/30/1999	4,229	3,383
	1/1/2000	1,324	1,321
	12/30/2000	50,806	42,197
	10/1/2001	1,373	1,179
	12/31/2001	38,004	27,798
	9/21/2002	1,541	1,369
	12/31/2002	18,170	16,353
	12/31/2003	28,314	26,347
	12/31/2004	13,101	12,628
	12/31/2005	4,591	4,578
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1981	6,849	0
	1/1/1986	1,529	509
	1/1/1987	3,873	938
	1/1/1988	3,806	970
	12/30/1999	775	620
TRANSFORMERS-POLE TYPE-50KVA	1/1/1983	18,362	4,286
	1/1/1986	864	44
	1/1/1987	17,961	6,586
	1/1/1988	3,670	1,467

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1989	7,843	2,125
	1/1/1990	7,843	3,660
	1/1/1991	9,564	4,782
	1/1/1993	3,411	1,933
	1/1/1996	16,726	11,151
	12/30/1999	1,556	1,245
	12/30/2000	8,522	7,078
	12/31/2001	34,029	29,492
	12/31/2002	6,601	5,942
	12/31/2003	16,822	15,654
	12/31/2004	7,453	7,184
	12/31/2005	3,727	3,717
TRANSFORMERS-POLE TYPE-5KV	1/1/1981	3,445	84
	1/1/1986	317	106
TRANSFORMERS - POLE TYPE-75KV.	1/1/1981	4,320	0
	12/31/1984	4,689	1,407
	1/1/1987	372	137
	1/1/1988	3,090	1,236
	12/30/1999	7,334	5,867
	12/30/2000	14,535	12,072
	12/31/2001	10,077	8,734
	12/31/2002	10,818	9,736
	12/31/2004	2,466	2,377

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	67,860	1,221
	1/1/1982	76	15
	1/1/1983	7,433	1,735
	1/1/1984	6,880	1,834
	12/31/1984	4,100	1,230
	1/1/1985	2,343	703
	1/1/1986	11,382	3,794
	1/1/1987	45,843	16,208
	1/1/1988	5,907	2,363
	1/1/1989	3,373	0
	1/1/1990	10,119	4,722
	1/1/1991	10,487	5,244
	1/1/1993	12,327	6,986
	1/1/1996	7,422	4,947
	1/1/1997	1,482	1,037
	12/31/1998	3,711	2,845
	12/30/1999	511	409
	12/30/2000	4,973	3,667
	12/31/2001	8,214	7,086
	9/21/2002	816	725
	12/31/2002	2,884	2,596
	12/31/2003	1,294	1,204
	12/31/2005	420	419

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	36,300	305
	1/1/1982	25	5
	1/1/1983	1,480	346
	1/1/1984	3,833	1,022
	12/31/1984	6,962	2,087
	1/1/1986	47,655	15,885
	1/1/1987	47,121	17,277
	1/1/1988	34,317	13,726
	1/1/1991	10,920	5,459
	1/1/1992	2,763	1,474
	1/1/1993	26,210	13,333
	1/1/1995	2,021	1,281
	1/1/1996	14,329	9,552
	1/1/1997	14,155	9,744
	12/31/1997	216	159
	12/31/1998	11,088	8,500
	12/30/1999	12,211	9,768
	12/30/2000	30,013	23,705
	12/31/2001	36,945	31,163
	9/21/2002	2,866	2,548
	12/31/2002	52,909	47,179
	12/31/2003	3,414	1,632
	12/31/2004	8,724	8,409
	12/31/2005	756	754

Newfoundland and Labrador Hydro
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Load Served - **Labrador Isolated** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 150 HPS	1/1/1984	273	73
	1/1/1987	566	208
	12/30/1999	429	343
	12/30/2000	161	134
	12/31/2004	3,413	3,290
STREET LIGHTS - 250 MERC VAP	1/1/1981	9,757	10
	1/1/1982	147	29
	12/31/1984	426	128
	1/1/1986	78	26
	1/1/1987	500	183
STREET LIGHTS - 400 HPS	12/31/2002	167	150
STREET LIGHTS - 100 HPS	1/1/1984	11,832	3,154
	12/31/1984	4,080	1,224
	1/1/1986	10,739	3,578
	1/1/1987	7,922	2,905
	1/1/1988	5,825	2,109
	1/1/1989	1,907	826
	1/1/1991	2,614	1,306
	1/1/1993	3,756	2,127
	1/1/1995	1,958	1,240
	1/1/1996	6,843	4,562
	1/1/1997	1,089	762
	12/31/1998	3,932	3,016
	12/30/1999	1,193	954
	12/30/2000	5,954	4,945
	12/31/2001	8,784	7,612
	12/31/2002	12,330	11,097
	12/31/2003	13,101	10,965
	12/31/2004	19,283	18,587
	9/12/2005	366	362
	11/25/2005	2,571	2,564
	12/31/2005	13,149	13,112

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
POLE CRIB FOUNDATIONS	1/1/1981	8,923	598
	1/1/1984	3,716	991
	12/31/1984	520	156
	1/1/1986	7,113	2,371
	1/1/1987	10,686	3,396
	1/1/1988	43,686	1,905
	1/1/1991	14,293	7,147
	1/1/1993	2,181	1,236
	1/1/1997	1,517	1,062
	12/30/2000	5,227	4,341
	12/31/2001	7,469	6,473
	1/1/2002	30,914	13,145
	9/21/2002	1,698	1,509
	12/31/2004	13,797	13,299
	12/31/2005	1,160	1,157
POLE HARDWARE	1/1/1981	181,858	2,870
	1/1/1982	33,072	6,614
	1/1/1983	134,505	31,384
	1/1/1984	37,384	9,968
	12/31/1984	59,380	11,803
	1/1/1985	65,567	19,670
	12/31/1985	603	0
	1/1/1986	207,050	44,092
	1/1/1987	170,438	44,642
	1/1/1988	99,625	27,281
	1/1/1989	49,611	8,657
	1/1/1990	156,281	64,825
	1/1/1991	203,009	92,767
	1/1/1992	196,827	67,762
	1/1/1993	127,976	47,828
	1/1/1994	432,895	281,821
	1/1/1995	81,699	51,743
	1/1/1996	60,673	33,866
	1/1/1997	27,745	12,951
	12/31/1997	3,991	2,926
	12/31/1998	76,422	56,923
	12/30/1999	8,295	6,635
	12/30/2000	128,150	97,510
	1/31/2001	11,286	9,405
	12/31/2001	291,256	167,481
	1/1/2002	124,143	52,776
	9/21/2002	28,091	24,970
	12/31/2002	302,520	257,163
	12/31/2003	168,640	154,939
	12/31/2004	309,476	215,469
	9/1/2005	115,000	99,911
	12/31/2005	30,119	0
POLES-CONCRETE 40'	12/30/1999	571	457
POLES - WOOD 30'	1/1/1981	120,507	2,481
	1/1/1982	9,064	1,813
	1/1/1984	1,996	177
	12/31/1984	3,384	1,016
	1/1/1986	18,799	1,209
	1/1/1987	8,089	2,967
	1/1/1988	45,588	16,561
	1/1/1991	9,348	4,674

Newfoundland and Labrador Hydro
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Load Served - **Labrador Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1993	3,554	2,014
	1/1/1996	3,477	2,318
	1/1/1997	6,664	4,665
	12/31/1998	1,884	998
	12/30/2000	2,860	2,376
	12/31/2001	20,666	17,120
	12/31/2005	1,127	1,124
POLES-WOOD 35'	1/1/1981	269,118	8,361
	1/1/1982	25,841	5,168
	1/1/1983	30,897	7,209
	1/1/1984	38,271	9,806
	12/31/1984	28,510	1,673
	1/1/1985	6,438	1,932
	1/1/1986	97,257	21,200
	1/1/1987	38,632	9,681
	1/1/1988	64,095	8,910
	1/1/1991	119,278	25,297
	1/1/1993	23,451	10,947
	1/1/1996	8,866	4,027
	1/1/1997	10,175	7,122
	12/31/1998	9,524	7,303
	12/30/1999	3,757	3,005
	12/30/2000	26,354	20,685
	12/31/2001	46,227	29,328
	1/1/2002	474,945	201,555
	12/31/2002	50,602	44,486
	12/31/2003	21,999	20,471
	12/31/2004	25,345	17,945
	9/12/2005	17,192	17,144
	11/25/2005	2,646	2,638
	12/31/2005	31,138	11,903
POLES-WOOD 40'	1/1/1981	8,279	385
	1/1/1982	22,443	4,489
	1/1/1984	27,261	7,059
	12/31/1984	29,973	8,991
	1/1/1986	19,595	1,127
	1/1/1987	42,182	10,851
	1/1/1988	27,792	9,313
	1/1/1991	11,524	5,762
	1/1/1993	61,665	23,598
	1/1/1996	30,246	20,164
	1/1/1997	32,052	22,436
	12/31/1998	20,697	15,344
	12/30/1999	3,532	2,826
	12/30/2000	28,422	22,374
	12/31/2001	73,897	41,082
	12/31/2002	56,111	49,618
	12/31/2003	34,977	32,222
	12/31/2004	188,209	11,231
	9/12/2005	13,026	12,938
	11/25/2005	4,659	4,646
	12/31/2005	24,131	17,084
POLES-WOOD 45'	1/1/1981	182	0
	1/1/1984	222	59
	1/1/1986	3,102	0
	1/1/1987	6,841	1,644
	1/1/1988	2,732	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1992	12,644	6,744
	1/1/1993	14,604	8,275
	1/1/1996	12,797	8,531
	1/1/1997	3,734	2,614
	12/30/1999	711	569
	12/30/2000	20,336	12,451
	12/31/2001	48,644	23,550
	9/21/2002	6,438	5,723
	12/31/2002	30,060	27,054
	12/31/2003	39,905	37,134
	12/31/2004	26,260	7,737
	9/12/2005	1,709	1,690
	11/25/2005	5,126	5,112
	12/31/2005	5,512	3,382
POLES-WOOD 50'	12/30/2000	4,081	1,911
	12/31/2001	5,099	2,424
	12/31/2002	1,209	1,089
	12/31/2004	1,718	1,656
POLES-WOOD 55'	12/30/2000	2,172	1,277
	12/31/2001	617	535
	12/31/2002	2,375	1,419

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **Distn-Land/Land Improvements**

Unit of Property	Date Acquired	Original Cost	Net Book Value
RIGHT - OF - WAYS	1/1/1981	2,570	0
	1/1/1984	2,596	692
	1/1/1986	2,740	913
	1/1/1987	971	0
	1/1/1988	1,442	0
	12/31/1998	450	345
	12/31/2001	524	0
	1/1/2002	18,968	8,064
	12/31/2004	30,706	2,160
	12/31/2005	41,382	41,267

Newfoundland and Labrador Hydro
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Load Served - **Labrador Isolated** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-TRAILERS	11/30/1985	21,177	0
	11/30/1990	9,838	2,377
	11/29/1991	62,793	18,314
	1/24/1992	60,049	18,015
	12/1/1997	107,598	64,111
BUILDINGS-WOODEN	12/1/1982	3,523	0
	12/2/1982	3,523	0
	12/20/1985	12,343	0
	8/16/1986	1,622	47
	9/21/1987	10,138	845
	9/23/1988	19,035	2,538
	10/15/1988	9,753	1,341
	10/31/1988	14,176	1,949
	10/16/1991	11,193	3,218
	12/19/1994	7,808	3,481
	8/21/1995	2,865	1,373
	10/31/2000	9,893	7,296
	9/23/2002	15,937	13,281
	11/30/2005	130,648	129,559
COMPUTERS	4/2/2004	1,472	957
	5/26/2005	2,660	2,305
FIRE FIGHTING - OTHER	6/17/1983	262	0
	11/16/1983	4,234	0
LAND ACQUISITIONS	1/13/1984	500	500
	6/4/1996	250	250
	11/19/1996	250	250
LAND IMPROVEMENTS	1/1/1989	2,040	306
	6/26/1990	10,945	2,417
	10/31/1990	3,890	924
MISC UNITS OF PROP	11/15/1999	78,853	54,540
MOBILE - AIR COMPRESSORS	6/1/1988	14,008	0
	6/1/1993	13,484	0
MOBILE - SNOWMOBILES	9/22/2000	7,475	0
	8/21/2002	4,587	1,975
PRINTERS	5/12/2005	8,955	7,761
	5/25/2005	4,975	4,312
RADIOS - MOBILE VHF (MOBILE)	10/29/1997	7,087	1,240
TOOL'S & EQUIPMENT - GENERAL	1/1/1975	1,784	0
	10/16/1980	3,938	0
	12/5/1986	4,010	0
	7/21/1987	4,359	0
	12/23/1987	4,823	0
	8/22/1988	7,607	0
	11/10/1988	4,022	0
	5/16/1989	15,353	0
	7/23/1990	3,892	0
	10/31/1990	5,600	0
	9/9/1991	10,600	0
	6/25/1997	8,453	0
	12/5/1997	3,255	0
	12/31/1997	27,748	0
	7/18/1998	3,260	0
	7/25/1998	2,396	0
	10/22/1998	2,190	0
	5/11/1999	6,552	0
	5/25/1999	1,374	425

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Labrador Isolated** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	5/23/2000	2,390	1,036
	6/14/2000	2,789	0
	12/13/2000	4,890	0
	11/26/2001	1,907	1,113
	11/29/2001	2,788	1,626
	8/13/2002	2,940	1,936
	2/15/2005	7,797	6,367
	6/28/2005	11,116	9,819
	12/30/2005	5,846	5,749
VEHICLES - 1/4 TON PICK-UPS	8/13/2004	24,551	18,754
VEHICLES - BOOMS & CRANES	5/19/1998	31,508	0
VEHICLES - CAB & CHASSIS	1/1/1999	34,910	0
VEHICLES - LINE BODIES	5/19/1998	11,000	0
Labrador Isolated		$44,219,967	$21,725,904

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Muskrat Falls** Purpose- **Hydraulic Generation**

Unit of Property	Date Acquired	Original Cost	Net Book Value
WATER SUPPLY SYSTEM - OTHER	2/1/1982	1,367,535	1,367,535

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Muskrat Falls** Purpose- **Transmission**

Unit of Property	Date Acquired	Original Cost	Net Book Value
MISC UNITS OF PROP	2/1/1982	107,421	107,421

Newfoundland and Labrador Hydro
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Load Served - **Muskrat Falls** Purpose- **Terminal Stations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	2/1/1982	462,181	462,181

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Muskrat Falls** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
GROUNDING	12/20/2004	18,855	16,812
POWER SYSTEM - INVERTERS	11/17/2004	8,858	7,825
PWR SYS-SUPPLY SERV & EQP	11/23/1985	1,774	0
RADIOS - FIXED VHF EQUIPMENT	2/1/1982	13,766	13,766
	11/17/2004	100,821	89,058
SCADA - REMOTE TERM UNIT (RTU)	11/1/1982	11,067	11,067
TELECONTROL MISC EQUIPMENT	2/1/1982	59,039	59,039
TOOL'S & EQUIPMENT - GENERAL	9/1/1995	1,098	0
Muskrat Falls		$2,152,416	$2,134,706

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Substations**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUSWORK AND HARDWARE	10/1/1987	22,249	0
CABLES - CONTROL	1/1/1978	2,866	0
CABLES - POWER CABLE	10/1/1987	22,449	0
CIRCUIT BREAKERS	10/1/1987	72,669	0
CTL/METER/RELAYING - OTHER	10/1/1987	11,313	0
DISCONNECT SWITCHES	1/1/1978	4,443	0
	10/1/1987	108,256	0
FENCING	1/1/1978	3,740	0
	10/1/1987	21,829	0
FOUNDATIONS (CONC) FOR EQUIP	10/1/1987	137,451	0
GROUNDING	10/1/1987	35,510	0
INSTRUMENTATION-INST/CTL PNL	10/1/1987	93,361	0
LIGHTING SYSTEM - SWITCHYARD	10/1/1987	18,608	0
MISC UNITS OF PROP	9/2/1985	315,255	101,582
	1/1/1989	25,966	11,252
	2/8/1990	201,240	94,471
POLE HARDWARE	1/1/1978	11,761	0
	1/1/1987	1,401	514
POLES - WOOD 30'	1/1/1978	856	0
POLES-WOOD 35'	1/1/1978	2,065	0
	1/1/1987	710	261
RECLOSERS	1/1/1978	26,001	0
	10/1/1987	73,392	0
RECLOSER BY-PASS SWITCHES	1/1/1978	7,109	0
STRUCTL SUPPS (WOOD & STEEL)	1/1/1987	3,585	1,314
	10/1/1987	118,280	0
TRANSFORMERS-OTHER	8/2/1985	25,694	8,208
TRANSFORMERS-PAD TYPE-1000KV/	1/1/1987	4,507	1,653
TRANSFORMERS - POTENTIAL	10/1/1987	25,009	0
TRANSFORMERS - POWER	1/1/1978	34,302	0
	10/1/1987	329,505	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Primary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - PRIMARY	1/1/1981	96,315	0
	1/1/1987	76,974	0
	1/1/1988	367	147
	1/1/1989	6,701	2,903
	1/1/1990	3,127	1,121
	1/1/1992	1,173	0
	1/1/1993	1,348	764
	1/1/1994	305	183
	1/1/1995	1,190	754
	1/1/1997	2,233	1,563
	12/31/1997	2,234	1,638
	12/31/1998	183	140
	12/30/1999	1,000	799
	12/30/2000	1,844	1,532
DISCONNECT SWITCHES	1/1/1987	10,747	0
	1/1/1990	8,148	3,803
	12/31/2004	477	459
INSULATORS - POST TYPE	12/30/1985	49,297	29,577
POLE HARDWARE	1/1/1989	2,000	866
RECLOSERS	12/31/1998	29,899	22,923
STRUCTL SUPPS (WOOD & STEEL)	12/31/2003	6,093	5,670

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
TRANSFORMERS-POLE TYPE-100KV	1/1/1987	201,820	0
	1/1/1990	17,729	8,273
	1/1/1992	17,074	9,106
	1/1/1993	16,666	9,444
	1/1/1994	6,390	3,834
	1/1/1995	8,383	5,309
	1/1/1996	8,092	5,394
	1/1/1997	21,742	15,219
	12/31/1997	9,992	7,327
	12/31/1998	4,892	3,751
	12/30/1999	12,924	9,991
	12/31/2002	9,821	8,839
	12/31/2004	20,802	20,051
TRANSFORMERS-POLE TYPE-10KVA	1/1/1990	1,658	774
	1/1/1991	383	0
	1/1/1992	1,043	556
TRANSFORMERS-POLE TYPE-150KV	1/1/1981	4,722	0
TRANSFORMERS-POLE TYPE-15KVA	1/1/1981	296	0
	1/1/1983	328	77
	1/1/1987	1,964	0
	1/1/1990	401	187
	1/1/1991	192	0
TRANSFORMERS-POLE TYPE-167KV	1/1/1995	4,170	2,641
	1/1/1996	11,505	7,670
	12/30/2000	5,159	4,284
	12/31/2003	17,971	16,723
	12/31/2004	12,269	11,826
TRANSFORMERS-POLE TYPE-25KVA	1/1/1983	328	77
	1/1/1987	14,599	0
	1/1/1988	3,054	1,222
	1/1/1989	6,617	2,868
	1/1/1991	383	0
	1/1/1994	1,374	824
	1/1/1995	2,533	1,604
	12/31/1997	12,619	9,254
	12/30/1999	1,175	940
	12/30/2000	11,437	9,499
	12/31/2003	9,327	8,679
TRANSFORMERS-POLE TYPE-37.5KV	1/1/1987	8,540	0
TRANSFORMERS-POLE TYPE-50KVA	1/1/1981	10,813	0
	1/1/1982	7,097	1,419
	1/1/1983	328	77
	1/1/1987	32,935	0
	1/1/1988	6,618	2,647
	1/1/1989	4,057	1,758
	1/1/1990	4,600	2,146
	1/1/1991	1,341	329
	1/1/1992	471	251
	1/1/1995	5,108	3,235
	1/1/1996	17,499	11,666
	12/31/2001	3,852	3,339
TRANSFORMERS - POLE TYPE-75KV	1/1/1981	3,195	0
	1/1/1982	1,962	393
	1/1/1983	328	77
	1/1/1987	33,847	0
	1/1/1989	4,520	1,959

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Transformers**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1990	6,036	2,817
	1/1/1991	6,187	3,093
	1/1/1997	5,145	3,602
	12/30/2000	15,431	12,816
	12/31/2002	2,818	2,536
	12/31/2003	4,310	4,011
	12/31/2004	15,055	14,511

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Secondary**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SECONDARY	1/1/1981	6,285	742
	1/1/1987	91,312	1,208
	1/1/1988	1,039	416
	1/1/1992	101	54
	1/1/1993	8,759	4,963
	12/31/1997	910	667
	12/31/1998	355	272

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Meters**

Unit of Property	Date Acquired	Original Cost	Net Book Value
METER TEST SWITCHES	1/1/1988	3,304	0
METERING TANKS	1/1/1981	2,500	0
METERS - DEMAND	1/1/1988	33,603	461
	1/1/1991	5,297	2,649
METERS - DOMESTIC	1/1/1988	62,931	0
	1/1/1989	19,270	8,350
	1/1/1990	22,826	10,652
TRANSFORMERS-CURRENT	1/1/1988	7,873	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Services**

Unit of Property	Date Acquired	Original Cost	Net Book Value
CONDUCTOR - SERVICE	1/1/1981	13,052	0
	1/1/1982	1,425	285
	1/1/1987	124,644	613
	1/1/1988	8,101	3,240
	1/1/1989	1,821	789
	1/1/1990	2,076	690
	1/1/1991	1,817	277
	1/1/1992	7,132	3,431
	1/1/1993	2,966	1,682
	1/1/1994	4,943	2,966
	1/1/1995	5,729	3,629
	1/1/1996	3,592	2,395
	1/1/1997	4,904	3,433
	12/31/1997	13,391	9,707
	12/31/1998	14,788	11,251
	12/30/1999	12,454	9,516
	12/30/2000	12,115	10,063
	12/31/2001	12,918	11,196
	12/31/2003	5,318	4,949
	12/31/2004	5,285	5,094

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Distribution Street Lights**

Unit of Property	Date Acquired	Original Cost	Net Book Value
STREET LIGHTS - 250 MERC VAP	1/1/1981	4,980	0
	12/31/2003	923	859
STREET LIGHTS - 100 HPS	1/1/1989	10,670	4,623
	1/1/1990	12,296	5,738
	1/1/1991	10,632	5,316
	1/1/1992	6,981	3,723
	1/1/1994	13,916	8,349
	1/1/1995	1,223	774
	1/1/1996	1,193	796
	1/1/1997	1,764	1,235
	12/31/1997	5,638	4,134
	12/31/1998	909	697
	12/30/1999	3,267	2,613
	12/30/2000	2,691	2,235
	12/31/2001	969	314
	12/31/2002	2,615	2,353
	12/31/2003	4,233	3,939
	12/31/2004	1,543	1,488

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
GROUNDING	1/1/1990	1,314	614
POLE CRIB FOUNDATIONS	1/1/1988	743	297
	1/1/2002	1,670	710
POLE HARDWARE	1/1/1981	146,903	23
	1/1/1987	503,913	10,642
	1/1/1988	3,653	1,461
	1/1/1989	55,580	24,085
	1/1/1990	29,969	13,985
	1/1/1991	12,348	6,174
	1/1/1992	51,647	25,126
	1/1/1993	8,703	4,932
	1/1/1994	8,043	4,826
	1/1/1995	14,561	9,222
	1/1/1996	41,894	27,929
	1/1/1997	10,116	7,081
	12/31/1997	24,473	17,947
	12/31/1998	23,468	17,992
	12/30/1999	32,633	24,911
	12/30/2000	18,681	15,515
	12/31/2001	11,996	1,755
	1/1/2002	6,706	2,851
	12/31/2002	4,871	1,006
	12/31/2003	25,712	18,755
	12/31/2004	55,643	44,637
POLES - WOOD 30'	1/1/1981	480	0
	1/1/1987	5,273	257
	1/1/1989	685	215
	1/1/1990	40	19
	1/1/1997	687	481
	12/31/1997	547	401
	12/31/1998	560	429
	12/30/1999	2,899	2,319
	12/30/2000	2,130	1,769
	12/31/2001	5,971	4,632
	12/31/2004	3,988	3,844
POLES-WOOD 35'	1/1/1981	20,515	0
	1/1/1987	9,593	523
	1/1/1988	425	170
	1/1/1989	125	54
	1/1/1990	1,254	585
	1/1/1994	547	328
	1/1/1995	2,727	1,727
	1/1/1996	1,379	919
	1/1/1997	1,881	1,316
	12/31/1997	599	440
	12/31/1998	1,225	940
	12/30/1999	5,382	2,501
	12/30/2000	32,273	21,469
	12/31/2001	3,670	3,181
	1/1/2002	25,654	10,887
	12/31/2004	4,712	4,542
POLES-WOOD 40'	1/1/1981	77,098	0
	1/1/1987	218,117	10,969
	1/1/1989	24,945	10,810
	1/1/1990	12,305	5,743
	1/1/1992	3,610	0

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **Poles**

Unit of Property	Date Acquired	Original Cost	Net Book Value
	1/1/1994	701	420
	1/1/1995	2,393	1,515
	1/1/1997	1,311	918
	12/31/1997	6,952	5,098
	12/31/1998	1,338	1,025
	12/30/1999	1,365	1,092
	12/30/2000	2,526	2,098
	12/31/2001	4,582	3,971
	12/31/2002	2,900	2,610
	12/31/2004	6,864	6,616
POLES-WOOD 45'	1/1/1987	12,047	630
	1/1/1989	3,916	1,697
	1/1/1993	852	483
	1/1/1994	1,402	841
	1/1/1996	3,402	2,268
	1/1/1997	1,947	1,363
	12/31/1997	5,094	3,736
	12/31/1998	2,909	2,230
	12/30/1999	727	582
	12/30/2000	4,939	4,103
	12/31/2001	6,650	2,980
	12/31/2002	16,659	5,124
	12/31/2004	12,723	12,263
POLES-WOOD 50'	1/1/1987	11,397	2,609
	1/1/1989	2,478	1,074
	12/30/1999	826	661
	12/31/2002	3,525	3,172
RIGHT - OF - WAYS	1/1/1981	34,710	0
	1/1/1989	13,235	0
	1/1/1993	63,702	36,097
	1/1/2002	1,025	436

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
BUILDINGS-MAINTENANCE BUILDINC	9/30/1999	19,368	13,235
BUILDINGS-WOODEN	7/28/1986	95,106	0
	12/16/1986	135,920	0
	12/1/1987	5,873	563
	4/12/1996	208,117	106,660
	6/28/2000	93,056	67,078
	10/15/2005	45,362	44,984
COMPUTERS	9/8/1998	3,968	0
	6/12/2000	3,905	0
	9/11/2003	13,480	7,863
	12/15/2004	7,272	5,696
FENCING	12/1/1987	5,905	566
LAND ACQUISITIONS	12/16/1986	9,200	0
	4/30/2001	9,009	9,009
LAND IMPROVEMENTS	10/1/1986	23,774	570
	6/26/1990	2,026	448
MISC UNITS OF PROP	9/30/1999	15,038	10,276
MOBILE - SNOWMOBILES	8/12/2003	9,290	5,548
MOBILE - TRAILERS	12/2/1985	26,479	0
	12/31/1995	2,199	0
	12/9/2003	15,998	12,665
OFFICE EQUIPMENT-MECHANICAL	1/1/1987	2,686	0
	2/15/1992	3,973	0
	7/29/1993	2,590	0
	7/21/1999	6,295	0
	4/28/2004	5,842	3,798
OFFICE FURNITURE	1/1/1987	7,020	0
	12/20/1999	3,581	1,406
PRINTERS	10/25/1999	2,357	0
	6/28/2000	2,312	0
RADIOS - MOBILE VHF (MOBILE)	12/31/1986	6,833	0
	1/1/1988	3,017	0
	11/26/1990	12,652	0
	6/3/1994	733	0
	3/28/2000	3,198	1,333
SERVERS	9/24/2004	19,332	14,177
TEST EQUIPMENT - GENERAL	3/6/1986	887	0
	11/13/1986	903	0
	11/16/1986	3,482	0
	12/31/1989	0	0
TOOL'S & EQUIPMENT - GENERAL	7/3/1977	8,629	0
	7/17/1983	1,428	0
	1/1/1987	34,298	0
	3/25/1989	3,226	0
	7/27/1992	17,585	0
	12/1/1992	8,831	0
	9/2/1993	5,274	0
	12/31/1994	0	0
	6/19/1995	2,782	0
	7/31/1995	11,581	0
	10/20/1995	3,962	0
	12/29/1995	9,858	0
	4/18/1997	4,355	0
	12/27/2000	3,149	0
	7/25/2001	1,295	130
	12/31/2002	11,718	7,034

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush** Purpose- **General Plant**

Unit of Property	Date Acquired	Original Cost	Net Book Value
VEHICLES - 1/2 TON PICK-UPS	10/20/2000	30,668	0
VEHICLES - 1/4 TON PICK-UPS	7/11/2002	21,642	9,318
	7/24/2003	19,485	11,366
VEHICLES - 3/4 TON PICK-UPS	8/15/2001	24,193	0
VEHICLES - BOOMS & CRANES	12/2/1985	58,563	0
	1/11/1995	80,885	0
	7/15/2002	40,500	12,825
VEHICLES - BOOMS/STAKE BODIES	12/8/1995	49,906	0
VEHICLES - CAB & CHASSIS	7/16/2002	45,902	14,536
	12/23/2002	116,405	44,622
VEHICLES - LINE BODIES	7/15/2002	22,700	7,188
Wabush		$6,636,728	$1,612,397

Newfoundland and Labrador Hydro
Fixed Assets - Balance December 31, 2005

Load Served - **Wabush**	Purpose- **General Plant**	
Newfoundland and Labrador Hydro Total	$1,939,115,247	$1,348,097,464

Exhibit RDG-2

Review of Newfoundland and Labrador Hydro's Treatment of Newfoundland Power's Generation

Prepared for

HYDRO
THE POWER OF COMMITMENT

Newfoundland & Labrador Hydro

February 3, 2006

Prepared by

Shaw® Stone & Webster Management Consultants, Inc.

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1 Introduction

This report was prepared by Stone & Webster Management Consultants, Inc. (Stone & Webster Consultants) in response to the request by Newfoundland and Labrador Hydro (Hydro) to perform an independent study regarding an appropriate treatment of Newfoundland Power (NP) generation. The need for the study is the result of the Board of Commissioners of Public Utilities (the Board) Order No. P.U. 14 (2004), in which the Board accepted Hydro's treatment of NP's hydraulic and thermal generation in the cost of service (COS) study, but directed Hydro:

> "… to commission an independent study, to be filed with its next general rate application, of the treatment of NP's generation. This study should assess the value of NP's generation to the system and make recommendations on how the generation should be accounted for, both operationally and financially, in the COS study and rate design."

In order to address the Board's request, this review has investigated the treatment of generation from a planning, operating, and financial perspective by assessing how Hydro includes non-Hydro owned generation in the long term resource plans for the system as a whole, identifying the operational actions taken by Hydro with respect to these resources, and evaluating the financial treatment from a COS perspective.

In performing this review, Stone & Webster Consultants worked with Hydro personnel and requested specific computer-modeling cases to be run. We also interviewed NP personnel with respect to what they perceived as relevant considerations in valuing their generation.

2 Background

NP is Hydro's largest customer on the Island Interconnected system, historically accounting for approximately 80 percent of Hydro's Island Interconnected peak demand. NP maintains 94.6 MW of hydraulic generation and 50.9 MW of thermal generation consisting of gas turbines and diesel units. In the 2004 test year, NP's forecast system load of 1,162.3 MWh was projected to be met with 81.6 MW from its hydraulic generation and the balance from Hydro's generation resources. NP's thermal units are generally used to provide emergency generation, both locally and for the interconnected grid, and to facilitate local maintenance. They are typically not run at the time of Hydro's system peak, but are assumed to be available. However, Hydro may ask NP to run its thermal generation and to maximize its hydraulic generation when needed to meet system requirements. When NP's thermal generation is run at Hydro's request, Hydro pays NP for the fuel consumed.

Hydro compensates NP for the right to call on its generation through a credit mechanism in Hydro's COS. In the last two general rate applications, the mechanism has been a subject of debate among the parties. In the case of NP's thermal generation, questions arose as to whether it provided a benefit to Hydro or only to NP and whether NP should receive a credit for its units, since they do not typically operate during Hydro's system peak. The credit for NP's hydraulic generation has been called into question with regard to the extent to which NP's test year hydraulic forecast differed from actual.

Hydro is responsible for planning to ensure there is sufficient generation to meet the Island's load requirements and as part of its planning relies on the availability of the hydraulic and thermal units owned by NP and the hydraulic units owned by the Industrial Customers (IC). Both parties are treated similarly within the planning process in this way.

2.1 The Existing Credit Mechanism

2.1.1 Genesis

Prior to 1977, Hydro compensated NP for its generation based on the net book value of its thermal generating units. In a 1977 report to the Government, the Board concluded that NP's thermal generating plant was used and useful to Hydro's system and recommended that the capacity of NP's generating units should be deducted from NP's demand in Hydro's COS. The following excerpt from the report provides the Board's rationale:

> "The Board recognizes that deducting the capacity of these thermal units from NLP's demand gives NLP customers credit for value of service rather than cost of service based on net book value of the units but we consider this to be justified otherwise Hydro's industrial customers would benefit from depreciation paid by NLP's customers over the past years on NLP's thermal units. Furthermore Hydro will not be required to pay a capacity charge to NLP."

At that time, NP's resources that were included in the credit included two gas turbines, plus the Southside Steam Plant which was able to supply firm energy. Diesel, which was considered to firm-up hydraulic, and NP's mobile gas turbine were not included.

The Board's 1977 recommendation formed the basis for the existing credit mechanism.

2.1.2 Structure

Under the existing credit mechanism, NP's forecast native load is reduced by NP's hydraulic and thermal generation capacity, less an allowance for system reserve. **Table 1** illustrates this process. This reduced load is then used to develop allocation factors for the demand component of generation and transmission costs in Hydro's COS. The methodology uses NP's forecast native load[1] and subtracts generation credits.

Table 1: Existing COS Credit Mechanism

2004 Final Test Year (kW)

	Capacity	Less Reserve @ 16 %	Final Test Year P.U. 14
Coincident Peak (CP):			
NP Forecast Load to be Served by Hydro			1,080,700
Plus NP Hydraulic Generation			81,600
NP Forecast Native Load			1,162,300
Less Credits:			
Hydraulic Generation	(94,620)	13,070	(81,550)
Gas Turbine & Diesel	(50,900)	7,000	(43,900)
Total Credits	(145,520)	20,070	(125,450)
Net CP for COS			1,036,850

There are several observations to be made with respect to the existing mechanism:

1. The mechanism effectively credits only NP's net thermal capacity, since NP forecasts its hydraulic generation, thus reducing the load served by Hydro. The mechanism will also reflect an adjustment to the extent that NP's hydraulic forecast differs from its hydraulic capacity net of reserve.

2. The mechanism credits NP for its thermal generation based on the average embedded cost of Hydro's Island Interconnected generation and transmission costs.

3. The credit mechanism also adjusts the Island Interconnected system load factor, which shifts costs from demand to energy.

2.2 Position of the Parties

In Hydro's last general rate application, the issue of the treatment of NP's generation was the subject of considerable discussion. The position of each of the parties is summarized below.

2.2.1 The Industrial Customers' Position

While the IC support the recognition of NP's hydraulic generation in the COS, they recommended that the hydraulic credit should only reflect the peak capacity NP provides to the system based on economic dispatch to maximize energy output.

[1] Native load is the total Newfoundland Power load, which is supplied both through power purchases from Hydro and its own generation sources.

The IC believe that in contrast to NP's hydraulic generation, their thermal generation plays no role in meeting the system energy requirements. They argue that NP's thermal generation is designed to meet emergency needs in specific service areas; is primarily used as backup generation support at the end of long radial lines at Burin/Port aux Basques; and only incidentally provides some peaking capacity to the system. The IC submit that NP's thermal generation is of no use to them.

The IC argued that as a result of the treatment of NP's thermal generation under the existing mechanism, the IC and Hydro's rural customers pay for 60 percent of NP's cost of its peaking generation[2], despite making up only 20 percent of the Island peak.

2.2.2 EES Consulting

EES Consulting[3] (EES) addressed the demand credit within the context of the proposed demand and energy rate for NP. They recommended a generation tariff in lieu of the generation credit to ensure that financial transactions corresponded with the operational flow of energy, thereby making it more transparent and robust. If this option were not adopted, EES recommended that Hydro unbundle the application of the credit in its COS such that generation costs are allocated using load data net of the generation credit and transmission costs are allocated using load data gross of the generation credit.

2.2.3 The Consumer Advocate's Position

The Consumer Advocate (CA) agreed with the views put forth by the IC and EES and recommended that generation be split between generation capacity for the entire system and NP distribution capacity for localized areas. The CA further recommended that Hydro be directed to commission an independent study of the treatment of NP generation in order to assess the value of this generation to the system and to make recommendations on how the generation should be accounted for, both operationally and financially in the COS and rate design.

2.2.4 NP's Position

NP argued that its thermal as well as its hydraulic generation play an important role in Hydro's generation planning and system operations and that the peak demands used in Hydro's COS should be net of the capacity NP makes available to the Island Interconnected system.

2.2.5 Hydro's Position

Hydro filed with the Board a report by its System Planning department which concluded that NP's thermal generation has value with regard to generation planning for the Island Interconnected system.

As Hydro's consultant, Stone & Webster Consultants agreed there was an apparent anomaly in the customer impacts resulting from the current credit mechanism.

[2] Based on a revenue requirement to NP's customers of $1,691,000, as reviewed by the Board in NP's 2003 GRA (NLH 2003 GRA, RFI IC-187 NP).
[3] Witness called by Board hearing counsel

3 Standards for Design of Compensation Mechanism

To assist in evaluating alternative mechanisms with respect to each other and to the existing mechanism, Stone & Webster Consultants has identified standards for measurement, which include:

- Fairness, or equitability among customer groups;
- Transparency;
- Relationship to cost causation;
- Conservation – demand and energy;
- Efficiency incentives[4]; and
- Practical implications.

[4] Efficiency incentives refer to maintaining NP's incentive to operate its generation resources in an optimal fashion.

4 The Issues

NP's hydraulic generation runs at the time of the system peak, clearly demonstrating that it has value to the Island Interconnected system. However, the value of NP's thermal generation is more elusive, since Hydro seldom calls on these units to be run during potential system peak hours. This distinct difference between hydraulic and thermal generation warrants separate consideration.

Based on the concerns raised by the parties, Stone & Webster Consultants has identified the following issues:

1. Hydraulic credit mechanism
    - 1.1 Hydraulic generation compensation through a credit
    - 1.2 Fairness
    - 1.3 Difference between NP's hydraulic forecast and hydraulic credit
    - 1.4 Appropriate value for NP hydraulic generation

2. Thermal Credit Mechanism
    - 2.1 Whether NP thermal generation has value to Hydro's Island Interconnected system
    - 2.2 Lack of transparency with the existing credit mechanism
    - 2.3 Appropriateness of the credit affecting system load factor
    - 2.4 Appropriateness of the credit for transmission costs
    - 2.5 Appropriate value for NP thermal generation

4.1 Hydraulic Credit Mechanism

4.1.1 Hydraulic Generation Compensation Through a Credit

The existing credit for NP's hydraulic generation provides compensation to NP based on a set value, regardless of the actual generation at the time of Hydro's system peak. This credit is accompanied by an obligation on the part of NP to demonstrate the capability of its combined hydraulic and thermal generation at some point during the winter season, at least to the value it receives as a total credit. This credit mechanism enables NP to operate its hydraulic generation to maximize energy throughput and reduce the possibility of spillage, without the constraint of having to anticipate the exact timing of Hydro's system peak. Furthermore, the existing hydraulic credit mechanism supports the original spirit of the demand and energy rate, which was to provide NP with an incentive to manage its native load, rather than its net load. From Hydro's perspective, a credit mechanism removes the potential for over or under collection of NP's share of Hydro's revenue requirement due to variances between forecast and actual customer hydraulic generation.

Recommendation: Stone & Webster Consultants recommends that Hydro's costing and billing to NP continue to reflect a set credit for its hydraulic generation, in conjunction with NP's continued obligation to demonstrate the capability of its combined hydraulic and thermal generation.

4.1.2 Fairness

For both NP and IC, cost allocation factors used in Hydro's COS reflect a reduction for customer hydraulic generation. In NP's case, the reduction is through a set credit value; for IC, the reduction is established based on their hydraulic forecasts, resulting in a lower Power on Order from Hydro.

If the IC exceed their Power on Order on an actual basis, they have access to interruptible power and generation outage power, neither of which has a demand charge. Their interruptible power cost is an energy charge based on Hydro's fuel costs.

In the case of NP, since the demand and energy rate under which it is served is generation-independent, if its actual hydraulic generation is less than the hydraulic credit at the time of the system peak it will not incur additional demand charges. NP, however, pays for all tail block energy at the rate of $0.047 which is based on the cost of fuel at Holyrood.

The IC must meet their Power on Order in each 15-minute interval. If their hydraulic generation is not available for a particular 15-minute interval, it will trigger the need to purchase generation outage power. However, if their hydraulic generation becomes available the next day, the water that has been stored can act to offset their firm energy rate of $0.027, but not their Power on Order purchases. NP does not have a similar 15-minute requirement for its hydraulic generation. If its hydraulic generation is not available at any point, but becomes available the next day, the water that has been stored can act to offset its purchases made during the previous day at its tail block rate, with no financial consequence. The operational incentives for NP to have its generation on during peak periods are therefore not as stringent as for the IC, who must continually strive to operate their hydraulic generation so as to not exceed their Power on Order. However, a spill, which may result due to a hydraulic generation outage, eliminates the opportunity for either IC or NP to offset their firm power rate. In such a spill situation each pays a rate based on the cost of Holyrood fuel.

Finding: IC have more rigid conditions than NP regarding generation availability during peak periods. If conditions were placed on NP to ensure availability of NP generation, if called upon, during peak periods, then both customer classes would be served under more comparable conditions.

4.1.3 Difference Between NP's Hydraulic Forecast and Hydraulic Credit

IC's load forecast of requirements from Hydro is net of customer-owned forecast hydraulic generation. NP also forecasts its hydraulic generation, but the calculated credit, which incorporates a 16 percent reserve requirement, may be different. The IC have recommended that NP's hydraulic generation credit in the COS be the same as NP's forecast for hydraulic generation.

While Stone & Webster Consultants agrees that the IC recommendation may have merit insofar as the credit would reflect the hydraulic generation that NP believes it can provide, we believe that the existing credit mechanism, which costs NP based on its hydraulic capacity net of reserve, offers additional advantages.

- The calculated credit reflects a discount factor in the form of a reserve to recognize that no generation is available 100% of the time.
- The calculated credit based on capacity less an allowance for system reserve has regulatory precedent in Newfoundland.

- The reduction or the discount is representative of the generation mix on the Island Interconnected System[5].

- The calculated credit is independent of any financial implications that may otherwise influence a credit based on the hydraulic forecast. If the credit were to be based on NP's hydraulic generation forecast instead of a calculated amount, the onus would shift to the regulatory environment to ensure the reasonableness of NP's hydraulic generation forecast. For example, if NP's forecast were consistently low, this would guarantee NP's ability to meet it, but would cost NP's customers more.

- The terms of Hydro's demand and energy rate provide that NP must demonstrate on an annual basis that its generation is actually capable of delivering the capacity for which it receives credit. If, in a given year, NP's hydraulic forecast is less than the credit, but it demonstrates that its hydraulic and thermal capability is equal to or greater than the total credit, then it only receives the credit. However, if during the annual testing NP cannot demonstrate its total generation capability to the level of the credit, the credit will be reduced. Thus, the credit mechanism, together with the testing requirement, assures Hydro of NP's hydraulic capability and speaks to the IC concern of recognizing NP's forecast to the extent that its forecast is accurate in reflecting its diminished hydraulic capability.

Recommendation: The existing mechanism should continue to credit NP for its hydraulic generation based on capacity net of reserve, but any differences with respect to its hydraulic forecast should continue to be monitored.

4.1.4 Appropriate Value for NP Hydraulic Generation

Since NP's hydraulic generation is forecast to operate during the system peak, Hydro only needs to serve NP's native load net of its hydraulic generation. If NP did not own hydraulic generation, NP would be allocated a larger proportion of Hydro's embedded costs. Thus, NP hydraulic generation is effectively avoiding Hydro's average embedded demand costs[6], which is consistent with the treatment of IC generation as well as with traditional cost of service practice.

Recommendation: NP should continue to receive credit for its hydraulic generation based on Hydro's average embedded costs as it is consistent with principles of cost causation.

4.2 Thermal Credit Mechanism

4.2.1 Value of NP Thermal Generation to Hydro's Island Interconnected System

In assessing whether NP thermal generation has value to Hydro's system, Stone & Webster Consultants has relied on the report filed by Hydro's System Planning Department in response to Order No. P.U. 7 (2002), titled Review of COS Assignment for the GNP, Doyles-Port aux Basques, and Burin Peninsula Assets (Planning Report).

[5] It is recognized that the system reserve that is applied to NP's hydraulic and thermal generation is subject to some variability at the time of Hydro's rate cases, depending on its generation mix and load shape, but is not expected to change so significantly as to affect the validity of its use in the credit mechanism.
[6] This includes generation and transmission demand costs, as well as system load factor impacts.

Under Hydro's planning criteria for the Island Interconnected System there needs to be sufficient generating capacity to satisfy a Loss of Load Hours (LOLH) criteria of not greater than 2.8 hours per year. Table 3.3 in the Planning Report shows that based on Hydro's near-term capability requirements the effect of the removal of NP's thermal generating units would have advanced the timing of capacity deficits. This evidence shows that NP's thermal generation does indeed play a role in meeting forecast system requirements.

With respect to the IC position that NP thermal generation is of no benefit to the IC, Stone & Webster Consultants disagrees and supports Hydro's position as set forth in the Planning Report. That is, with respect to the value of generation, there are no locational limitations. The generation must be capable of delivering capacity and energy to the system and the system must be capable of utilizing that capacity when needed. NP's thermal generation meets these criteria.

Finding: Stone & Webster Consultants concludes that NP thermal generation has value to Hydro's Island Interconnected system and contributes to the benefit of all customers.

4.2.2 Lack of Transparency with the Existing Thermal Credit Mechanism

Exhibit 1 shows that the thermal credit in the COS provides a net decrease to NP of $855,900[7], with an attendant increase to IC and Rural of $633,429 and $222,471[8], respectively. However, through COS analysis, it has been shown that Hydro is effectively providing NP with a notional payment of $3.630 million. By virtue of the allocation process in the COS, 76 percent of this notional payment is allocated back to NP, resulting in a net cost allocation credit of $855,900. The derivation of these amounts is shown in **Exhibits 2 and 3**, and summarized in **Table 2**. A proof of the equivalency of a $3.6M separate payment with the existing credit mechanism is contained in **Exhibit 4**.

Table 2: Notional Payment - Existing COS Credit Mechanism

	Notional Payment	COS Allocation	Percent of Total (1)	Net Cost Impact
Newfoundland Power	3,630,018	2,774,118	76.4%	(855,900)
Island Industrial		633,429	17.4%	633,429
Rural Island Intercnctd		222,471	6.1%	222,471
		3,630,018	100.0%	0

(1) Includes customer demand cost allocation percentages plus the credit mechanism's effect on the system load factor.

As can be seen from **Table 2**, the IC and Rural customers are paying 24% of the notional payment. The use of a credit mechanism, as has been historically used in Hydro's COS, tends to obscure the gross (notional) amount of the financial credit to NP for its generation. Alternatively, a separate COS schedule showing the notional payment from Hydro to NP for the approved value of NP's thermal generation would provide clarity and avoid any misinterpretation. During Hydro's last GRA, the IC and Rural share

[7] Throughout this report, cost impacts for NP refer to allocations prior to Rural deficit re-allocation. The Rural deficit allocation is also affected by the existing credit mechanism and Exhibit 1 shows a cost increase for Rural Labrador Interconnected customers of $87,000.
[8] These values were determined through COS analysis.

of the credit was only referenced with respect to NP's operating costs for its thermal generation[9], without relating the IC and Rural share to the full notional payment derived from Hydro's costs. A separate COS schedule would also show unit costs, which may be then used for comparative purposes against other supply sources or valuation methods.

Recommendation: Compensation for NP's thermal generation should continue as a COS credit, and the notional payment amount should be clearly identified, thus providing greater transparency to the value of the generation.

4.2.3 The Appropriateness of the Credit Affecting System Load Factor

Under the existing mechanism, the use of a demand credit reduces the system demand, and thereby increases the system load factor. This system load factor is used for cost classification between demand and energy for hydraulic generation and power purchase costs. **Exhibit 2** shows that the generation credit in the COS causes $2.4 M of hydraulic generation and power purchase costs to shift from demand to energy. Because customers have different demand and energy ratios, this results in approximately $175,000 shifting from NP primarily to IC. The demand credit for thermal generation does not impact Hydro's actual system load factor, and therefore should not result in a change to the forecast system load factor.

The impact of removing the credit mechanism's effect on the system load factor is illustrated in **Table 3**.

Table 3: Notional Payment - Excluding System Load Factor Impacts

	Notional Payment	COS Allocation	Percent of Total	Net Cost Impact	Change from Existing Mechanism
Newfoundland Power	3,630,019	2,949,152	81.2% (1)	(680,867)	175,033
Island Industrial		443,489	12.2%	443,489	(189,940)
Rural Island Interconncted		237,378	6.5%	237,378	14,907
		3,630,019	100.0%	0	0

(1) Customer demand cost allocation percentages without NP reduction for thermal credit.

Recommendation: The existing thermal credit mechanism's impact on system load factor and the resulting changes in cost classification should not form part of the compensation because actual system load factor is not impacted.

[9] Stone & Webster Consultants referred to the IC concern about paying a disproportionate share of NP's thermal generation costs as an apparent anomaly.

4.2.4 The Appropriateness of the Credit for Transmission Costs

Under the existing credit mechanism, NP's transmission allocation factor is reduced by the credit. Of the $3.6 million notional payment discussed earlier, $0.87 million is related to transmission (see **Exhibit 2**, Line 7). These costs are solely related to the common transmission grid[10].

Also, NP's demand at the time of Hydro's Island Interconnected system peak would not be reduced by its thermal generation, since, in contrast with NP's hydraulic generation, thermal generation is not forecast to be run during system peak. Thus, from an embedded cost perspective, NP's transmission demand allocation factor should not be lowered for thermal generation.

Stone & Webster Consultants requested that Hydro prepare an analysis showing the avoided transmission[11] cost associated with each avoided generation cost scenario in **Exhibit 6**. Hydro's analysis concluded that since NP's generation plants were small and somewhat distributed, the removal of NP generation would not require any further local transmission upgrades. Hydro's transmission analysis is presented in **Exhibit 7**.

The impact of removing the credit mechanism's effect on both the system load factor and transmission cost allocation is illustrated in **Table 4**.

Table 4: Notional Payment - Excluding System Load Factor and Transmission Cost Impacts

	Notional Payment	COS Allocation	Percent of Total	Net Cost Impact	Change from Existing Mechanism
Newfoundland Power	2,675,395	2,173,583	81.2%	(501,812)	354,088
Island Industrial		326,860	12.2%	326,860	(306,569)
Rural Island Interconnected		174,952	6.5%	174,952	(47,519)
		2,675,395	100.0%	0	0

Recommendation: Hydro should discontinue compensation for transmission because: (1) thermal generation is not forecast to be run during system peak and therefore should not reduce NP's common transmission cost allocation; and (2) Hydro's analysis shows that there is no avoided transmission cost associated with NP thermal generation.

4.2.5 Appropriate Value for NP Thermal Generation

There are a number of methods by which to value NP's thermal generation, which produce a broad range of values. We have considered the following options:

[10] Transmission costs related to generation are functionalized as such and are included in the generation component of the existing credit mechanism.

[11] Stone & Webster also requested analysis of the value of ancillary services. Hydro indicated that it did not have the appropriate resources to value ancillary services associated with NP generation. Ancillary services were judged not to be a determining factor in selecting credit mechanism options and were therefore excluded from this study.

- Hydro's embedded costs
- NP's internal costs
- Avoided cost
- Cost of a proxy combustion turbine
- Purchase of NP's thermal generation assets

A brief discussion of each of these alternatives is provided below.

4.2.5.1 Hydro's Embedded Costs

Under the existing credit mechanism NP receives a credit for its hydraulic as well as its thermal generation based on Hydro's average embedded costs. The value of the credit, based on Hydro's 2004 average embedded costs of generation and transmission, is $3,630,018, or $82.78 kW/yr. The preceding recommendations to eliminate the system load factor and transmission cost implications for NP's thermal generation result in a revised value of $2,675,395, or $61.01 kW/yr. Average embedded generation demand costs include base load hydraulic and thermal costs as well as peaking costs.

Whether it is appropriate for thermal generation to be credited with average embedded costs depends in part as to whether it is viewed from the perspective of the customer or the serving utility. A customer that owns thermal generation may reason that its generation is available, such that when it operates, it will lower demand and therefore should be credited based on average embedded costs.

Basing the credit on Hydro's average embedded demand costs[12] is reflective of what NP would pay to Hydro if NP's thermal generation did not exist and Hydro had built the generation. A payment based on Hydro's average embedded costs is also consistent with the Board's 1977 recommendation to Government that NP's thermal capacity should be deducted from its demand, effectively crediting NP with Hydro's average embedded costs.

However, the serving utility may value thermal peaking generation, which is not generally called on to run, differently than hydraulic which is expected to run. From this viewpoint, it is arguable whether the value of NP's thermal generation should be based on Hydro's embedded peaking costs alone, rather than include Hydro's full embedded generation costs. **Exhibit 5** shows the components of Hydro's unit capacity costs, including peaking.

If the compensation to NP were based on Hydro's peaking generation rather than the average embedded cost that includes hydraulic, the value would be much lower and may provide NP with an incentive to reject Hydro's payment for its thermal generation and to forecast its thermal to be operating during the system peak. NP would receive the value based on the average embedded generation and transmission demand costs, as well as the system load factor impacts, but it would also incur additional fuel costs[13]. It should be noted that if NP were to forecast its thermal generation to be in operation, the credit for its thermal generation would no longer be applicable to NP's billing demand.

4.2.5.2 NP's Internal Cost

Another option involves paying NP based on the actual cost of its thermal units.

[12] Average embedded demand costs, modified to exclude the effects of system load factor and transmission.
[13] Refer to Exhibit 2, Scenario 2 of Stone &Webster's report "Review of Rate Design for Newfoundland Power", filed at Hydro's 2003 GRA as Exhibit RDG-2.

One alternative is to base the payment on NP's total annual revenue requirement associated with its thermal generation, which is approximately $3,704,000[14].

Another alternative is to develop a payment for NP's thermal units on its book value but using Hydro's carrying costs. The carrying charge in this computation would need to include operation and maintenance other than fuel[15] in order to be comparable with NP's credit under the existing mechanism.

Both alternatives offer advantages in that they reflect the age, reliability and operating characteristics of the actual units. However, both options have the disadvantage of relying on cost data of another entity. In addition, payment to NP based on NP's net book value has the same disadvantage as a payment based on Hydro's embedded peaking costs; that is, an inadequate payment may provide an incentive for NP to run its thermal during potential system peaks, rather than accept a payment from Hydro, increasing overall costs to the Island Interconnected system.

4.2.5.3 Avoided Cost

Stone & Webster Consultants requested that Hydro prepare a long-term capacity planning analysis that quantifies the value of NP and IC generation assets. This analysis, which is contained in **Exhibit 6** and summarized in **Table 5** below, shows the additional cost Hydro would incur for the 20-year period 2005-2024 if it were to replace existing NP thermal generation.

Table 5: Value of NP Thermal Generation Assets

Cumulative Present Worth 2005 to 2024 (2005$ x 1000)	
Base Case	2,113,846
Base Case, Less NP Thermal (51 MW)	2,146,781
Change from Base Case	32,935
Components of Change from Base Case:	
Capital	33,452
Fuel	(9,317)
O&M	8,800
Total	32,935

In terms of developing an annual avoided cost value to be paid to NP, one measure is the present value of the avoided cost of NP thermal generation, or $32.935 million, times an estimated levelized fixed carrying charge of 9.69 percent[16], or approximately $3.191 million per year.

A payment to NP based on current avoided costs is supportable in that it reflects the current long-term value to Hydro. However, there are several disadvantages, which include:

[14] NP's fully-allocated thermal generation cost, which includes $2,693,000 of direct costs excluding fuel, plus allocated general system and administrative and general costs. Source: NP's preliminary 2004 cost of service study.
[15] Hydro reimburses NP for fuel separately when it calls on NP's units to be run.
[16] The Capital Recovery Factor was used as an estimate of the levelized fixed carrying charge based on an 8.40 percent cost of capital and a 25 year life of a combustion turbine.

1. An avoided cost payment to NP as a *customer*[17], may not be appropriate, because if Hydro had incurred costs to replace NP's thermal facilities, NP would pay Hydro's average embedded costs, including the replacement thermal costs;

2. The fact that a payment to NP based on the value of new plant does not reflect age and reliability factors associated with NP's actual thermal units. (A listing showing the capacity and age of each of NP's thermal units is contained in **Exhibit 8**);

3. Avoided costs can be an unstable benchmark. If, for example, Hydro constructs a new generating facility, the avoided cost of NP's thermal may immediately go to zero as a result of Hydro having excess capacity in the near-term; and

4. It is unclear as to the extent to which the Board wishes to introduce marginal cost principles in an embedded cost regulatory environment.

4.2.5.4 Cost of a Proxy Combustion Turbine

Another option is to base the payment to NP on a proxy combustion turbine. Hydro estimates the levelized annual cost for a new simple-cycle combustion turbine for peaking capacity, coming on-line in 2007 to be in the order of $109/kW/year.

Basing a payment to NP on a proxy combustion turbine offers the advantage of using a measure that is widely referred to in the electric utility industry, but is not unstable as is the use of avoided costs. However, a number of the disadvantages of a proxy combustion turbine are the same as for avoided costs. They include:

1. A proxy unit may be considered as a surrogate for avoided costs. However, as in the case of avoided costs, Stone & Webster Consultants does not recommend making a direct payment to NP based on a proxy unit. That is, the proxy cost would be included in Hydro's resource mix and NP would effectively end up paying Hydro's average embedded costs of generation, which includes the cost of the proxy unit;

2. A proxy unit is not reflective of the age and reliability of NP's actual units;

3. The proxy cost is sufficiently high as to exacerbate the IC concerns of overpaying for NP's units; and

4. Uncertainty as to the Board's desire to introduce marginal cost principles in the costing process.

In addition, although proxy combustion turbines are not uncommonly employed in the industry in both embedded and marginal COS studies, Stone & Webster Consultants cautions that in the context in which they are employed, the proxy value is only a component of costs – the total of which is ultimately reconciled to an *accounting* revenue requirement. In this instance, the proxy value is put forth as a specific payment to a separate entity.

[17] The distinction is NP as a customer of Hydro, as opposed to thermal generation provided from a separate entity that is not a customer.

4.2.5.5 Purchase of NP's Thermal Generation Assets

Another alternative is for Hydro to purchase NP's thermal generation. Under this option Hydro would own, operate and maintain the thermal units. One basis for establishing a purchase price would be NP's book value. The actual price would be subject to negotiation between Hydro and NP. Also, the PUB would need to approve the purchase and recovery of any premium paid by Hydro in excess of book value in the form of an acquisition adjustment. All costs of ownership would be transferred to Hydro's books.

In contrast with some of the alternatives discussed above that may require periodic revision, the purchase option eliminates the issue in the future.

Stone & Webster Consultants has included this as an alternative only for purposes of completeness in this report, but has not pursued this as a viable option at this time due to the broader ramifications of asset takeovers between two utilities. Other options that have been discussed are simpler and equally effective.

4.2.5.6 Related Considerations

Stone & Webster Consultants believes that there are additional factors that bear on valuing NP generation under some of the alternatives discussed above.

One such consideration relates to the quality of NP generation, e.g., age, start-up time and reliability. While Stone & Webster Consultants is not recommending that a direct payment be made to NP based on either avoided costs or a proxy combustion turbine, these factors, which may be difficult to quantify, would come into play. A value to assign to these factors may be based on a review of industry reliability statistics for outage rates as a function of age or, alternatively, to assign a nominal value of, for example, 25 percent as a reduction to either avoided cost or the cost of a proxy unit as recognition. **Exhibit 8** shows the capacity and age of each of NP's thermal units.

Another consideration is whether NP should receive a reduction of the credit since it also derives value from its thermal units for its own use such as back-up generation and emergency use. The sharing consideration is more readily recognized under the options of paying NP based on its own operating costs or on a direct payment based on its net book value using Hydro's operating costs; however, it could conceptually pertain to any of the payment alternatives[18]. In developing a factor to reflect sharing of NP's thermal units a 50% / 50% split may be supportable. Alternatively, it could be rationalized that the primary purpose of thermal generation is for peaking, which may more appropriately support a 75% (system support) / 25% (NP own use) split.

Solely for purposes of illustration, if a direct payment were to be made to NP based on the cost of, for example, a proxy unit, and in recognition of the above factors, the $109 per kW annual operating cost may be adjusted as follows:

$$\$109/kW \times 0.75 \text{ [reliability]} \times 0.75 \text{ [sharing]} = \$61.31/kW$$

Stone & Webster Consultants is not making a specific recommendation as to the level of factors discussed in this section or the extent to which they should be applied, but has included the preceding discussion and illustration principally to recognize that these factors exist conceptually. We recommend, however, that the level of the payment to NP not be so low as to inadequately compensate NP for the value that its thermal generation brings to Hydro's system.

[18] Stone & Webster Consultants is not recommending which, if any, of the payment alternatives should be discounted for sharing of NP's thermal generation, but is simply putting forth the concept, should the Board wish to recognize it.

Table 6, below, provides a comparison of the IC and Rural contribution under each of the alternatives. Factors relating to age, reliability and sharing are not reflected in this table.

Table 6: Summary - Comparison of NP Thermal Generation Values

Payment Alternative	Value of NP Generation: Present Value	Annual Amount [1]	Unit Costs: Capacity [2]	Unit Costs: Load [3]	Contribution of IC and Rural	
	($ x 1000)	($)	$/kW/yr		(%)	($)
1. Avg Embedded Cost 2004 Test Yr		3,630,019	--	82.78	23.6%	855,900
2. Avg Embedded Cost w/ Recommended Changes [4]		2,675,395	--	61.01	18.8%	501,812
3. Avg Embedded Cost of Hydro Peaking Only		1,377,863	27.07	31.42	18.8%	258,440
4. NP Thermal Operating Cost		3,704,000	72.77	84.47	18.8%	694,743
5. NP Thermal NBV w/ Hydro Operating Cost	13,885	1,484,307	29.16	33.85	18.8%	278,405
6. Avoided Cost	32,935	3,191,402	62.70	72.78	18.8%	598,597
7. Proxy Combustion Turbine		5,548,100	109.00	126.52	18.8%	1,040,633

Notes:

(1) Annual amount for 50,900 kW of NP thermal generation capacity.

(2) Annual amount / NP thermal generation capacity (50,900).

(3) Annual amount / NP thermal generation capacity less reserve (43,850).

(4) Recommended changes include removing compensation for transmission and system load factor implications.

Recommendation: While it can be argued which alternative discussed above is the most suitable basis for compensation to NP for their thermal generation, Stone & Webster Consultants believes that Hydro's average embedded costs with the recommended changes represents the best balance in consideration of the pros and cons of each alternative, as well as fairness to the parties and practical implications. This recommendation is made in conjunction with NP's continued obligation to demonstrate the capability of both its hydraulic and thermal generation.

We view a direct payment to NP based on the avoided cost and proxy combustion turbine alternatives as representing upper limits for payment to NP for their older combustion turbines. There is also the concern that either of these alternatives, possibly even after being reduced for reliability factors, will exacerbate the IC issue of fairness if Hydro's payment to NP is sufficiently high. In this regard, Stone & Webster Consultants recognize that it is ultimately the IC that bears the majority of the cost of an increase in the payment to NP based on their contribution to Hydro's coincident peak.

There is also significant concern as to whether it is appropriate for NP, as a customer of Hydro, to be paid avoided costs, since if its thermal generation did not exist, Hydro would incur the cost of replacement and NP would pay Hydro for that thermal capacity based on Hydro's average embedded costs.

With regard to a payment to NP based on Hydro's embedded cost of peaking, we believe that while this alternative has a cost causation basis, the relatively low level of this payment does not adequately compensate NP in light of the value of this generation to Hydro. A sufficiently low payment level may also induce NP to dispatch its generation in a less than optimal manner resulting in an overall increase in costs to the Island Interconnected system. Stone & Webster Consultants recommends that NP not be permitted to both forecast its thermal generation and receive compensation for it.

A payment to NP based on its own internal costs has a rationale in that it recognizes NP's specific thermal units; however, this method relies on the need to identify costs of another utility. Also, a payment based

on NP's internal costs brings to the forefront the fact that NP is also using its thermal for its own purposes and that it may be appropriate to incorporate a factor to recognize sharing between both utilities.

In making its recommendation for a basis for compensation to NP, Stone & Webster Consultants recognizes that not all of the criteria we have defined can be met simultaneously and that trade-offs are required. Hydro's average embedded costs with the recommended changes is reconcilable with the use of avoided costs in a regulatory environment[19], preserves the Board's 1977 recommendation to Government and, we believe, provides a fair balance among the identified standards and the interests of all of the parties.

With regard to implementing our preferred alternative, namely, Hydro's average embedded costs with the recommended changes (Option 2 in Table 6), we do not propose that there be a separate payment to NP. Rather, Hydro can continue using the existing credit mechanism for generation, except that for purposes of classifying costs between demand and energy, the system load factor would be determined prior to crediting NP's thermal capacity net of reserves. In developing the allocation factor for transmission, NP would not receive a capacity credit for thermal generation. As mentioned earlier the equivalency of this procedure with a separate payment to NP is demonstrated in **Exhibit 4**.

[19] Hydro's average embedded costs with the recommended changes is reconcilable with the use of avoided costs in a regulatory environment in that if Hydro incurred costs to replace NP's thermal generation, NP would pay demand charges to Hydro based on Hydro's average embedded costs revised to include the cost to replace NP's thermal generation. Hydro's average embedded cost is therefore put forth as being representative of its average embedded cost after the inclusion of costs to replace NP's thermal units.

5 Newfoundland Power's Perspective

Stone & Webster Consultants interviewed NP with respect to their views on valuing their generation and how the generation should be accounted for operationally and financially.

NP indicated that it is important to recognize how NP's generation is factored into Hydro's planning. That is, both NP and Hydro generation are treated on an equal basis and operationally NP generation is available to the system to the same extent as Hydro's.

As to the value of its generation, NP believes that it is more important to view the value from a future, or avoided cost basis, rather than from an embedded cost basis. However, it recognizes that comparing future, or avoided costs to figures derived from embedded costs can result in some confusion. This is especially so considering the current practice within Newfoundland and Labrador to set rates which focuses primarily on the fair allocation of costs based on embedded cost principles.

If the credit for NP thermal generation were eliminated, and NP no longer received an appropriate recognition for its thermal generation, NP believes it would be unreasonable to expect it not to operate its generation for the benefit of its customers even in light of the fact that doing so may increase the overall cost of the Island Interconnected System.

Over the last few years NP has incurred significant cost to upgrade its thermal generation in terms of maintainability in order to increase reliability. This has increased the embedded cost of its thermal generation. NP has justified this cost on the value it provides to customers overall for its support in meeting peaking requirements, and customers locally for the generation's ability to backup local transmission and distribution facilities. Also NP believes its generation is maintained in a manner such that its reliability and availability is similar to that of Hydro's peaking generation units and operationally would have a similar value to the system as Hydro's peaking generation. Further, NP believes that the embedded cost of its generation does not impact on the value that its generation provides to customers, locally and overall. NP sees a continuing role for their thermal generation.

With regard to the operation of the existing mechanism, NP believes much of the debate surrounding the effect of the NP generation credit on the allocation of embedded cost, is attributed to how demand forecasts impact the load factor used to classify Hydro's hydraulic generation costs. If it weren't for this load factor effect, the generation credit would be much more understandable.

Commenting on its hydraulic forecast, NP indicated that forecast hydraulic production at time of peak is based on engineering judgment and recent operating experience. They believe that their forecast is a target for what is likely to be produced during the system peak. However the actual amount will vary depending on plant availability due to forced outages and potential lack of available water.

In assessing the value of generation costs, NP has enunciated the following general principles:

- The value should consider the availability of its generation, both operationally and for planning for the entire system;

- That assessment of the current credit mechanism should recognize that the current method focuses on the allocation of Hydro's costs and that none of NP's thermal generation costs are included in Hydro's cost of service;

- The financial impact on NP of unplanned generation outages should be similar to the impact of unplanned generation outages on Hydro;

- The treatment of the generation credit in rate design, should in principle be reflective of the same considerations that are being given in cost allocation; and

- Any rate design should not create an incentive for NP to run its thermal generation when a lower cost source of production is available within the overall Island Interconnected system.

It is NP's view that a major consideration for this review is that the current practice for determining the costs attributed to all of Hydro's customers is to attribute Hydro's costs fairly in accordance with embedded cost principles. NP believes the existing credit mechanism is a reasonable means to achieve fairness in cost allocation in accordance with embedded cost principles.

6 Newfoundland and Labrador Hydro's Perspective

Stone & Webster Consultants held discussions with Hydro personnel during the course of its review of the operational and financial aspects concerning Hydro's treatment of NP's generation.

From an operational perspective, Hydro has received NP's full cooperation and best efforts each time Hydro has requested generation support from NP. However, Hydro's experience has shown that NP does not have all its resources available throughout the winter period due to scheduled maintenance. This is particularly true during December when NP's generation is undergoing capital improvements. Hydro believes NP should have all its generation capacity available by December 1 for the winter, in order to be consistent with Hydro's longstanding practice of having all its own significant planned generation maintenance completed by that time. Hydro recognizes forced or unscheduled outages can occur during this period and that allowances are necessary for these. However, for those under the control of NP, which are the scheduled outages, these should be confined to short duration when system conditions allow it. This will also be in line with the period of the year in which the Generation Credit is applied to NP's demand billing. Hydro has discussed this with NP and NP has indicated that it will work towards this schedule. To reflect this commitment by NP, Hydro recommends that the Generation Credit test be completed early in December to identify any issues before the generation is required for peak loads.

Hydro also believes that there should be an obligation on the part of NP to have its generation in a state of readiness throughout the winter irrespective of the Generation Credit test results, so that if the generation is required to meet system requirements, it can be depended on to perform to the level of the Generation Credit. As mentioned above this requirement is subject to forced outages that are beyond the reasonable control of NP. However, in such cases Hydro feels NP should be subject to some incentive to correct and restore any problems promptly. Hydro sees this as consistent with the IC's requirement to have its generation available at the forecast level whenever the IC's load requires it. If the IC can't meet this requirement they are subject to higher energy costs. Hydro also believes that there should be higher costs to NP if it cannot perform at the level of the Generation Credit when necessary for system requirements.

From a financial perspective, Hydro agrees that clarification is warranted to clearly set forth the value of the credit to NP and thus welcomes the review by Stone and Webster Consultants and the anticipated ruling by the Board on this issue.

7 Rate Design Considerations

As of January 1, 2005, Hydro began billing NP under the first phase of a demand and energy rate structure. Hydro's COS on which NP's rates are based incorporates the existing credit mechanism described earlier in this report. Billing determinants for pricing are calculated by applying NP's hydraulic and thermal generation capacity net of reserves to its measured native load. This effectively makes the rate independent of the generation at the time of Hydro's system peak.

The alternative Stone & Webster Consultants is recommending retains the credit mechanism, and will not result in any changes to the existing demand and energy rate structure.

The alternatives for a separate payment to NP would result in a purchased power cost to be allocated to all customers. While this represents a procedural change on the costing side, no changes are anticipated on the billing side.

Under the option that discusses the purchase of NP's thermal units, the credit for NP's thermal units should be removed from both costing and billing. However, Stone & Webster Consultants has not recommended that this option be pursued.

8 Summary of Findings and Recommendations

In preparing this report, Stone & Webster Consultants has tried to identify the relevant issues and to address the viewpoints of all of the parties that have commented on the existing credit mechanism, as well as to solicit the comments of NP with regard to what it believes are appropriate approaches. In making our recommendations, Stone & Webster Consultants has tried to assess each alternative in terms of the standards it has defined, which include: fairness, transparency, cost causation, conservation, efficiency incentives and practical implications.

Based on its review, Stone & Webster Consultants offers the following findings and recommendations:

- Stone & Webster Consultants recommends that NP's costing and billing continue to reflect a set credit for its hydraulic generation, in conjunction with NP's continued obligation to demonstrate the capability of both its hydraulic and thermal generation.

- IC have more rigid conditions than NP regarding generation availability during peak periods. If conditions were placed on NP to ensure availability of NP generation, if called upon, during peak periods, then both customer classes would be served under more comparable conditions.

- The existing mechanism should continue to credit NP for its hydraulic generation based on capacity net of reserve rather than on forecast generation, but the relationship between the two should continue to be monitored.

- The feature of the existing mechanism that credits NP's hydraulic generation with Hydro's average embedded cost is appropriate and consistent with cost causation principles.

- Stone & Webster Consultants concludes that NP thermal generation has value to Hydro's Island Interconnected system and contributes to the benefit of all customers.

- Compensation for NP's thermal generation should continue as a COS credit, and the notional payment amount should be clearly identified, thus providing greater transparency to the value of the generation.

- The existing thermal credit mechanism's impact on system load factor and the resulting change in cost classification should not form part of the compensation since the attendant change in load factor is not related to cost causation.

- Hydro should discontinue compensation for transmission because: (1) thermal generation is not forecast to be run during system peak and therefore should not reduce NP's common transmission cost allocation; and (2) Hydro's analysis shows that there is no avoided transmission cost associated with NP thermal generation.

- Stone & Webster Consultants preferred option is to compensate NP for its thermal generation based on Hydro's average embedded cost with recommended changes, in conjunction with NP's continued obligation to demonstrate the capability of its combined hydraulic and thermal generation. In making this recommendation, we recognize that not all of the criteria we have

defined can be met simultaneously and that trade-offs are required. We believe this recommended option provides a reasonable balance of the identified standards and the interests of the parties. This option, which recognizes the practical implications of the various alternatives, should allow NP to continue to operate in an efficient fashion.

- Stone & Webster Consultants recommends that should this Board consider other options such as a direct payment to NP based on Hydro's avoided costs or the use of a proxy unit to be more appropriate, that it should also factor in related considerations, such as age and reliability of NP's units as well as shared use between NP and Hydro.

- Stone & Webster Consultants recommends that should NP elect to obtain the benefit from its thermal generation by forecasting its use, that NP should not be permitted to both forecast its thermal generation and receive compensation for it.

- Stone & Webster Consultants supports the existing arrangement whereby Hydro pays NP for fuel when Hydro requests NP to run its thermal generation.

- The existing demand and energy rate structure to serve NP should continue without modification.

9 Exhibits

The exhibits presented in the following pages reflect the analyses performed to develop the findings and recommendations in this report.

Exhibit 1: Customer Impacts – COS Analysis with NP Generation Credit Removed

Newfoundland and Labrador Hydro
2004 Test Year Scenario Analysis

		1	2	3	4	5	6
		Revenue Requirement Before Revenue Credit and Deficit Allocation			Revenue Requirement After Revenue Credit and Deficit Allocation		
		NP Gen Credit Removed	2004 Test Yr PU 14	Increase (Decrease)	NP Gen Credit Removed	2004 Test Yr PU 14	Increase (Decrease)
	Total System						
1	Newfoundland Power	216,463,435	215,607,535	(855,900)	250,530,151	249,809,764	(720,387)
2	Island Industrial	48,695,674	49,329,103	633,429	48,695,674	49,329,103	633,429
3	Labrador Industrial	2,619,369	2,619,369	-	2,619,369	2,619,369	-
4	CFB - Goose Bay Secondary	128,914	128,914	-	2,633,006	2,633,006	-
5	Rural Labrador Interconnected	10,604,823	10,604,823	-	12,677,084	12,764,042	86,958
	Rural Deficit Areas						
6	Island Interconnected	50,752,411	50,974,882	222,471	33,890,311	33,890,311	-
7	Island Isolated	8,013,042	8,013,042	-	1,404,229	1,404,229	-
8	Labrador Isolated	19,777,645	19,777,645	-	5,789,028	5,789,028	-
9	L'Anse au Loup	2,633,257	2,633,257	-	1,449,718	1,449,718	-
10	**Subtotal**	**81,176,355**	**81,398,826**	**222,471**	**42,533,286**	**42,533,286**	**-**
11	**Total**	**359,688,570**	**359,688,570**	**(0)**	**359,688,570**	**359,688,570**	**(0)**
	NP Coincident Peak:						
12	NLH Load Forecast	1,080,700	1,080,700	-			
13	Plus NP Hydraulic Generation		81,600	81,600			
14	Less Credits:						
15	Hydraulic Generation		(81,550)	(81,550)			
16	Gas Turbine & Diesel		(43,900)	(43,900)			
17	Net CP for COS	**1,080,700**	**1,036,850**	**(43,850)**			

Exhibit 2: COS NP Generation Credit Unit Costs

A. SUMMARY	Total ($)	Total ($/kW/yr.)	Source
1. System Load Factor Impacts:			
2. Demand Costs	(2,410,835)	(54.98)	Ln 18; Ln 18 / 43,850
3. Energy Costs	2,410,835	54.98	
4. Total System Load Factor Impacts	0	-	
5. Existing Demand Unit Costing:			
6. Generation	2,758,393		Ln 26 x 43,850 x 1.03
7. Transmission	871,626		Ln 22 x 43,850
8. Total Demand Unit Costing	3,630,019	82.78	(Ln 6 + Ln 7) / 43,850
9. Proposed Cost of Service Impact	2,675,395	61.01	Ln 33 x 43,850; Ln 33
B. SYSTEM LOAD FACTOR IMPACTS:			
10. Costs Affected by System Load Factor ($):			
11. Hydraulic Generation Costs		96,999,362	TY Functional Summary [1]
12. Power Purchases		29,510,763	TY Functional Summary [1]
13. Total		126,510,125	
14. Change in System Load Factor (%):			
15. Test Year PU 14 (w/ Generation Credit)		57.81%	COS Sch 4.2
16. Forecast Load (Generation Credit Removed)		55.90%	
17. Increase in Energy Classification		1.91%	
18. Increase in Generation Energy Costs w/ NP Gen Credit		2,410,835	Ln 13 x Ln 17
C. EXISTING DEMAND UNIT COSTING			
19. Transmission Demand Unit Costs:			
20. Transmission Demand Costs		25,569,337	COS Sch 2.1A, Col 5
21. Transmission CP - Test Year Load (kW):		1,286,350	COS Sch 3.1A, Col 5
22. Transmission Unit Cost - Forecast Load ($/kW/yr.)		19.88	Ln 20 / Ln 21
23. Generation Demand Unit Costs:			
24. Generation Demand Costs		80,918,096	COS Sch 2.1A, Col 3
25. Transmission CP - Test Year Load (kW):		1,324,940	Ln 21 x 1.03
26. Generation Unit Cost - Forecast Load ($/kW/yr.)		61.07	Ln 24 / Ln 25
D. PROPOSED DEMAND UNIT COSTING			
27. Generation Demand Unit Costs:			
28. Generation Demand Costs		80,918,096	COS Sch 2.1A, Col 3
29. Transmission CP without credit (kW):		1,330,200	Ln 21 plus Gen Credit of 43,850
30. Plus 3% losses		1,370,106	Ln 29 x 1.03
31. Less Generation Credit		(43,850)	
32. Generation CP		1,326,256	
33. Generation Unit Cost - Proposed ($/kW/yr.)		61.01	Ln 28 / Ln 32

[1] The Test Year Functional Summary filed in response to IC-13 (Rev.) NLH at Hydro's 2003 GRA was based on Hydro's original submission. These numbers have been updated to reflect the 2004 Final Test Year Cost of Service.

Exhibit 3: Customer Impacts - NP Generation Credit

(1)	(2)	(3)	(4)	(5)	(6)
	Total	NP	IC	Rural	Source
A. Customer Impacts - System Load Factor					
1. Cost Allocation Ratios (Test Yr):					
2. Demand	100.00%	80.60%	12.63%	6.76%	COS Sch 3.1A, Col 3
3. Energy	100.00%	73.34%	20.51%	6.14%	COS Sch 3.1A, Col 4
4. Dem-Enr Difference	0.00%	-7.26%	7.88%	-0.62%	
5. Increase in Generation Energy Costs w/ NP Gen Credit	2,410,835				Exhibit 2: Ln 19
6. Cost Difference x Dem-Enr Ratio Differences:	(0)	(175,033)	189,940	(14,907)	Ln 5 x Ln 4
B. Customer Impacts - Existing Demand Unit Costing					
7. Forecast Load (kW)	1,330,200	1,080,700	162,514	86,986	
8. Ratio	100%	81.24%	12.22%	6.54%	Ratio: Ln 7
9. Generation	2,758,393	2,241,013	337,000	180,380	Col 2 - Exhibit 2, Ln 6 Cols 3-5: Col 2 x Ln8
10. Transmission	871,626	708,139	106,489	56,998	Col 2 - Exhibit 2, Ln 7 Cols 3-5: Col 2 x Ln8
11. Total: Generation and Transmission	3,630,019	2,949,152	443,489	237,378	
12. Total Existing Customer Impacts	3,630,019	2,774,119	633,429	222,471	Ln 6 + Ln 11
C. Proposed Customer Impacts					
13. Forecast Load (kW)	1,330,200	1,080,700	162,514	86,986	
14. Ratio	100%	81.24%	12.22%	6.54%	Ratio: Ln 13
15. Generation	2,675,395	2,173,583	326,860	174,952	Col 2 - Exhibit 2, Ln 10 Cols 3-5: Col 2 x Ln14

Exhibit 4: Equivalency of a Separate Payment to NP with the Existing Credit Mechanism

		Total	NP	IC	Rural	Comments
	Allocation Under Existing Credit Mechanism					
1	Demand (MW)	1,330,200	1,080,700	162,514	86,986	Hydro forecast load
2	Less NP Generation	(43,850)	(43,850)			NP thermal capacity net of reserve
3	Transmission Demand Net of NP Generation	1,286,350	1,036,850	162,514	86,986	
4	Generation Demand, incl. 3% Transmission Losses	1,324,941	1,067,956	167,389	89,596	
	Allocation Ratios					
5	Total (Gross) Load (%)	100.00%	81.24%	12.22%	6.54%	Ratio: Line 1
6	Net Load (%)	100.00%	80.60%	12.63%	6.76%	Ratio: Line 3
7	Allocated Generation Demand Costs	$ 80,918,096	$ 65,223,250	$ 10,222,975	$ 5,471,871	Hydro Gen x Line 6
8	Unit Cost ($/kW)	$ 61.07	$ 61.07	$ 61.07	$ 61.07	Line 7 / Line 4
9	Allocated Transmission Demand Costs	$ 25,569,337	$ 20,609,917	$ 3,230,361	$ 1,729,058	Hydro Transm x Line 6
10	Unit Cost ($/kW)	$ 19.88	$ 19.88	$ 19.88	$ 19.88	Line 9 / Line 3
	Allocation Under Separate Payment					
11	Hydro's embedded demand costs	106,487,433	86,514,035	13,009,847	6,963,551	Line 7 total + Line 9 total
12	Plus Payment to NP	3,630,019	2,949,152	443,489	237,378	Exhibit 2, Line 9
13	Allocated on gross Factor	110,117,452	89,463,186	13,453,336	7,200,930	Line 10 total x Line 4
	Comparison					
	Separate Payment					
14	Payment to NP	(3,630,019)	(3,630,019)			-Line 12
15	Allocated Costs	110,117,452	89,463,186	13,453,336	7,200,930	+Line 13
16	Net	106,487,433	85,833,167	13,453,336	7,200,930	Line 14 + Line 15
	Existing Credit Mechanism					
17	Allocated Costs	106,487,433	85,833,167	13,453,336	7,200,930	Line 7 + Line 9
18	Over/<Under>	-	-	-	-	Line 16 - Line 17
19	Net Cost of Service Effect Under Separate Payment	-	(680,867)	443,489	237,378	Line 12 + Line 14

Exhibit 5: Capacity Unit Costs

NEWFOUNDLAND AND LABRADOR HYDRO
Capacity Unit Costs
2004 Final Test Year Cost of Service (PU 14) with System Load Factor based on Load Forecast

		Total Cost	Demand Share	Demand Cost	Capacity Basis kW	Capacity Basis Demand $/kW/yr.
1.	GENERATION:					
2.	Base Load:					
3.	Hydraulic	96,999,362	44.10%	42,774,241	927,300	46.13
4.	Holyrood, Excl. Fuel	37,245,152	57.72%	21,497,901	465,500	46.18
5.		134,244,514		64,272,143	1,392,800	46.15
6.	Peaking:					
7.	Gas Turbines	2,232,187	100.00%	2,232,187	118,000	18.92
8.	Diesel	1,359,558	100.00%	1,359,558	14,700	92.49
9.		3,591,745		3,591,745	132,700	27.07
10.	Subtotal	137,836,259		67,863,888	1,525,500	44.49
11.	Other:					
12.	Purchased Power	29,510,763	44.10%	13,013,493	66,300	196.28
13.	Feasibility Studies	40,715	100.00%	40,715		
14.	Generation, Excl. Holyrood Fuel	167,387,737		80,918,096	1,591,800	50.83
15.	TRANSMISSION:	25,569,337	100.00%	25,569,337	1,591,800	16.06

Exhibit 6: Value of NP and IC Generation Assets – Generation Analysis

Long Term Capacity Planning Analysis

			Scenario									
			Base Case		Less ALL NP Gen. (146 MW**)		Less NP Thermal (51 MW**)		Less NP Hydro (95 MW**)		Less ALL IC Gen. (181 MW**)	
	Load Forecast		Capacity Added	Installed Capacity	Capacity Added	Installed Capacity	Capacity Added	Installed Capacity	Capacity Added	Installed Capacity	Capacity Added	Installed Capacity
Year	MW	GWh	MW	MW	MW	MW	MW	MW	MW	MW	MW	MW
2005	1,612	8,573		1,919		1,919		1,919		1,919		1,919
2006	1,621	8,602		1,919		1,919		1,919		1,919		1,919
2007	1,637	8,744	25MW Wind	1,944	25MW Wind	1,944	25MW Wind	1,944	25MW Wind	1,944	25MW Wind	1,944
2008	1,651	8,787		1,944		1,944		1,944		1,944		1,944
2009	1,660	8,864	25MW Wind	1,969	50MW Wind, 48 MW Hydro, 166MW CCCT	2,208	50MW Wind, 48 MW Hydro	2,042	50MW Wind, 48 MW Hydro	2,042	50MW Wind, 48 MW Hydro, 170MW CCCT	2,212
2010	1,676	8,956	25MW Wind	1,994	-146MW NP	2,062	-51MW NP	1,991	-95MW NP	1,947	-181MW IC	2,031
2011	1,693	8,995	48MW Hydro	2,042		2,062	125MW CCCT	2,116	166MW CCCT	2,113	18MW Hydro	2,049
2012	1,751	9,315	18MW Hydro	2,060		2,062		2,116		2,113	112MW CCCT	2,161
2013	1,761	9,400		2,060		2,062		2,116		2,113		2,161
2014	1,769	9,498	125MW CCCT	2,185	18MW Hydro	2,080		2,116		2,113		2,161
2015	1,774	9,513		2,185		2,080		2,116		2,113		2,161
2016	1,786	9,578		2,185		2,080		2,116		2,113		2,161
2017	1,798	9,644		2,185	50 MW CT	2,130	18MW Hydro	2,134		2,113		2,161
2018	1,811	9,714		2,185		2,130	50 MW CT	2,184		2,113		2,161
2019	1,824	9,781		2,185		2,130		2,184	18MW Hydro	2,131		2,161
2020	1,836	9,838		2,185	50 MW CT	2,180		2,184		2,131		2,161
2021	1,847	9,888		2,185		2,180		2,184		2,131	35 MW CT	2,196
2022	1,860	9,950		2,185		2,180	15 MW CT	2,199	39 MW CT	2,170		2,196
2023	1,872	10,017		2,185		2,180		2,199		2,170		2,196
2024	1,884	10,082	50 MW CT	2,235		2,180		2,199		2,170		2,196
CPW to 2024 (2005$ x 1,000):			$2,113,846		$2,389,578		$2,146,781		$2,343,525		$2,921,984	
Change from Base Case:			n/a		$275,732		$32,935		$229,679		$808,138	
CPW End Effects:			$1,125,926		$1,277,535		$1,128,325		$1,264,074		$1,657,722	
Change from Base Case:			n/a		$151,609		$2,399		$138,148		$531,796	
CPW TOTAL STUDY PERIOD:			$3,239,772		$3,667,113		$3,275,106		$3,607,599		$4,579,706	
Change from Base Case:			n/a		$427,341		$35,334		$367,827		$1,339,934	

Notes:
** In all cases, noted generation assets are removed from the system starting in January 2010.
- All cases have been equalized to the capability of the base case scenario.
  That is, by the end of the simulation period, the firm energy capability and LOLH are equivalent to base case values .
- All expansion plans have been optimized to provide the lowest CPW cost with the resources available.

Exhibit 7: Value of NP and IC Generation Assets - Transmission Analysis

The Transmission System on the Island of Newfoundland is planned to withstand the single contingency loss of any element and it is often this requirement for contingency operation that dictates transmission expansion. The east coast transmission system is a two circuit 230 kV network between Bay d'Espoir and the St. John's area and the transfer capability of this transmission system is dependant upon generation dispatch given significant generation in the East and West portions of the system. The limiting contingency on this transmission system does not occur at time of peak but rather at approximately 50% of peak when the Holyrood Thermal Plant on the East Coast is shut down and one of the transmission circuits between Bay d'Espoir and the Sunnyside Terminal Station is forced out of service or taken out for maintenance. On a go forward basis the requirement for transmission line additions on the east coast system will be more a result of where new generation sources are located as opposed to the actual load to be served. Generation additions located off the Avalon Peninsula will likely generate a requirement for transmission upgrade or additions while the status quo will be adequate if the new generation is on the Avalon Peninsula.

In 2002, Hydro completed a comprehensive review of the East Coast Transmission System that investigated the limitations of the existing system, identified excess transfer capability and identified potential short and long term expansion options. The assumptions used in completing the 2002 analysis are still valid and the findings will be used to assist in determining the transmission options associated with the various generation expansion alternatives being proposed in this analysis. A summary of the findings of the 2002 study is as follows.

- Excess or (spare) capacity in the East Coast transmission system is dependant upon the operation of the Holyrood Thermal Plant. For the existing system the spare capacities are as follows:
    - 3 units operating 160 MW
    - 2 units operating 43 MW
    - 1 unit operating 33 MW
    - 0 units operating 25 MW
- With the addition of approximately 80 MVAR of static capacitors at Western Avalon, the thermal up rating of TL 202&206 and the re-conductoring and thermal uprating of TL 203 the transfer capabilities can be increased accordingly:
    - 3 units operating 250 MW
    - 2 units operating 200 MW

  - 1 unit operating 180 MW
  - 0 unit operating 115 MW
- There is still a period of time where it is possible to operate with no generation at Holyrood. As load grows this opportunity will decrease. However, as new generation sources are added the time period may increase if the new sources are located off the Avalon Peninsula and have lower operating cost than Holyrood.

- Once the further generation additions are limited to thermal alternatives, which most likely will be located close to the load centre on the East Coast, there will be year round generation operating on the East Coast and the transfer capability of the transmission lines to the East Coast will be a minimum of the "1 unit " case (180 MW) which will be adequate until such time that additional generation is added off the Avalon Peninsula.

- Transfer capability beyond the above limits will require a new 230 kV transmission line between Bay d'Espoir and Western Avalon as the existing transmission lines cannot be further upgraded to carry additional capacity

Evaluation of Expansion Alternatives

Base Case

The base generation expansion scenario involves the establishment of 25 MW wind farms in 2007,2009 and 2010 followed by 48 MW of hydro in 2011, 18 MW of hydro in 2012, 125 MW CCCT in 2014 and finally a 50 MW CT in 2024

With this expansion it is likely that all new generation with the exception of the 125 MW CCCT and the 50 MW CT will be located off the Avalon Peninsula for a total of 141 MW of new "off Avalon" generation. Based on the 2002 analysis it will be necessary to add voltage compensation at the Western Avalon Terminal Station and complete the identified transmission upgrades in the 2009/2010 timeframe giving an additional transfer capability of 115 and 180 MW for the 0 unit and 1 unit (Holyrood) cases. There is a possibility that during the 2011-2014 time period a" 0 unit "operation will be desirable. The transfer capability to the East Coast for the 0 unit case is less than the 141 MW of new generation however it is not likely that all of the 141 MW will be available for transfer to the Avalon Peninsula as there will be some load growth on the remainder of the Island. Once the 125 MW CCCT is added in 2014 year round operation at Holyrood will be a reality resulting in a minimum transfer capability of 180 MW.

An order of magnitude estimate of the cost for the transmission upgrades for this Base Case would be $5 million.

Removal of NP and IC Generation.

The expansion plans for the “Less ALL NP Gen.”, “Less NP Thermal” ,”Less NP Hydro” and” Less All IC Gen” are all similar and all involve no more than 141 MW of “off Avalon” generation. The transmission expansion associated with the generation expansion plans will be identical to that of the base case with the additions being required in the 2009/2010 timeframe.

It is not anticipated that the removal of NP generation will require any further local transmission up-grades as the plants are small and somewhat distributed. In the case of the IC generation particularly in Deer Lake local transmission upgrades will be required and further analysis is being completed to determine the magnitude

Exhibit 8: Summary of Newfoundland Power's Thermal Generation Units and Age

NP Thermal Generation Capacity

Plant	Name Plate Rating (MW)	Year Commissioned	Age	Major Refurbishment[1]	Current Capacity (MW)
Greenhill Gas Turbine	25.0	1975	30	Y	22.0
Wesleyville Gas Turbine	14.7	1969	36	Y	14.7
Portable Gas Turbine	7.2	1974	31	Y	7.2
Port Union Diesel	0.5	1962	43	N	0.5
Port aux Basques Diesel	2.5	1969	36	N	2.5
Portable Diesel #3	2.5	2003	2	N	2.5
Contract Diesel[2]	1.5	1999	12	N	1.5
Total					50.9

1 - Major Refurbishment within last 6 years
2 - Used Diesel commissioned by Newfoundland Power in 1999, estimated age is 12 years