

1 Q. With regard to the R. D. Greneman evidence (page 5, lines 2 to 5), what is
2 the impact of this change on customer cost allocations?

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5 A. Please see the attached schedule. The 2007 Test Year Cost of Service as
6 filed reflects an overall decrease in costs of \$400,000. This is attributable to
7 the change in treatment of employee future benefits and group insurance
8 costs to direct expenses, and the resulting charges to non-regulated
9 business units.

**Newfoundland and Labrador Hydro
2007 Forecast Cost of Service - CA 047 EFB & Group Insurance Adjusted**

	1	2	3	4	5	6
	Revenue Requirement Before Revenue Credit and Deficit Allocation			Revenue Requirement After Revenue Credit and Deficit Allocation		
	2007 Test Year Orig Filing July 06	CA - 047 EFB & Gr Ins Adj	Increase (Decrease)	2007 Test Year Orig Filing July 06	CA - 047 EFB & Gr Ins Adj	Increase (Decrease)
Total System						
1 Newfoundland Power	291,082,517	291,755,548	673,031	330,000,455	330,415,398	414,943
2 RSP Activity	-	0	-	(2,813,027)	(2,813,267)	(240)
3 Subtotal Newfoundland Power	291,082,517	291,755,548	673,031	327,187,428	327,602,131	414,703
4 Island Industrial	44,560,431	44,644,823	84,392	44,832,866	44,916,964	84,098
5 Labrador Industrial	2,897,096	2,883,091	(14,005)	2,897,096	2,883,091	(14,005)
6 CFB - Goose Bay Secondary	138,636	138,632	(4)	4,548,798	4,548,798	-
7 Rural Labrador Interconnected	11,411,158	11,361,031	(50,127)	14,574,337	14,489,376	(84,961)
Rural Deficit Areas						
8 Island Interconnected	56,576,743	56,263,579	(313,164)	39,721,329	39,721,329	-
9 Island Isolated	8,630,461	8,589,399	(41,062)	1,471,495	1,471,495	-
10 Labrador Isolated	25,245,150	25,326,588	81,438	7,239,552	7,239,552	-
11 L'Anse au Loup	3,726,009	3,705,345	(20,664)	1,795,300	1,795,300	-
12 Subtotal	94,178,363	93,884,911	(293,452)	50,227,676	50,227,676	-
13 Total	444,268,201	444,668,036	399,835	444,268,201	444,668,036	399,835