

1 Q. With respect to the amortization of deferred major extraordinary repairs,
2 please provide a continuity schedule showing the amounts added or
3 expected to be added in each year from 2004 forward, the amount amortized
4 in the year and the deferred amount remaining at the end of each year.
5 Please separately indicate the amounts relating to the estimated \$2.2 million
6 repair of the boiler tubing of the Holyrood Unit #2 boiler from any other
7 amounts that might be proposed to be treated in this way. Please reconcile
8 the amortization amounts with the Amortization of Deferred Major
9 Extraordinary Repairs line of Schedule I from Mr. Haynes' evidence,
10 separately indicating and explaining any adjustments.

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13 A. See attached tables.

IC 14 NLH
2006 General Rate Application
Page 2 of 3

Newfoundland and Labrador Hydro
Deferred Charges - amort of extraordinary repairs

Acct	Description	Year	Actual Dec 2004	Additions	Amort.	Actual Dec 2005	Additions	Amort.	Forecast Dec 2006	Additions	Amort.	Budget Dec 2007
Asbestos Abatement												
	Holyrood Asbestos Abatement (1)	2005	0	3,990,572	(133,019)	3,857,553		(798,114)	3,059,439	0	(798,114)	2,261,324
	Holyrood Asbestos Abatement (2)	2006	0		0	0	3,012,000	(100,400)	2,911,600	0	(602,400)	2,309,200
	Holyrood Asbestos Abatement (3)	2007	0		0	0		0	0	1,681,000	(56,033)	1,624,967
			0	3,990,572	(133,019)	3,857,553	3,012,000	(898,514)	5,971,039	1,681,000	(1,456,548)	6,195,491
Deferred Extraordinary Major Repairs Hrood												
			0			0	2,223,060	(148,204)	2,074,856	0	(444,612)	1,630,244
Total Amortization of Extraordinary Repairs												
			0	3,990,572	(133,019)	3,857,553	5,235,060	(1,046,718)	8,045,895	1,681,000	(1,901,160)	7,825,735

Amortization of Deferred Charges

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Jim Haynes Evidence Schedule 1</u>				
Amortization of Deferred Regulatory Costs	\$360,000	\$720,000	\$720,000	\$597,000
Amortization of Deferred Major Extraordinary Repairs	0	133,000	898,000	1,901,000
	<u>\$360,000</u>	<u>\$853,000</u>	<u>\$1,618,000</u>	<u>\$2,498,000</u>

As per Amortization Schedule

Amortization of Deferred Regulatory Costs	\$360,000	\$720,000	\$720,000	\$597,000
Amortization of Deferred Major Extraordinary Repairs	0	133,000	1,046,000	1,901,000
	<u>\$360,000</u>	<u>\$853,000</u>	<u>\$1,766,000</u>	<u>\$2,498,000</u>

Differences	<u>\$0</u>	<u>\$0</u>	<u>-\$148,000</u>	<u>\$0</u>
			(1)	

- (1) The difference of \$148,000 in 2006 represents 4 months amortization of the Deferred Major Extraordinary Repairs of the boiler tubing of the Holyrood Unit # 2 boiler. J.R. Haynes Schedule 1 included the \$148,000 in the Thermal Generation whereas it should be included in the Amortization of Deferred Major Extraordinary Repairs grouping. Similarly, M.G.Bradbury's Schedule 1 Page 10 of 10 has the \$148,000 included in the System Equipment Maintenance grouping whereas it should be included with the Deferred Major Extraordinary Repairs. The Total Operating Expenses of \$89,289,000 are unaffected by this change.