

- 1 Q. Please explain in detail the basis for each of the estimated Specifically
2 Assigned amounts set out in the 2007 cost-of-service, as well as the basis for
3 each of the allocations to NP and each Industrial Customer.
4
5
6 A. The detailed calculations for the specifically assigned amounts, by customer,
7 are attached. These calculations reflect the revisions to the specifically
8 assigned charges filed with IC 34 NLH.

NEWFOUNDLAND AND LABRADOR HYDRO

Components of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations

Corner Brook Pulp & Paper	Abitibi Consolidated S'veille	Grand Falls	North Atlantic Refining	Aur Resources	Total Industrial	NF Power
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Summary:

(1) Operating and Maintenance	142,403	27,190	507	47,655	166,841	384,595	1,033,862
(2) Depreciation	59,301	33,090	179	60,600	24,258	177,429	1,032,264
(3) Gain/Loss on Disposal of Fixed Assets	2,355	715	9	694	0	3,772	32,641
(4) Return on Debt	136,368	41,410	522	40,168	0	218,469	1,890,431
(5) Return on Equity	14,256	4,329	55	4,199	0	22,839	197,627
(6) Subtotal	354,682	106,734	1,272	153,317	191,099	807,104	4,186,825

(7) Revenue Credit Allocation:

<u>Customer Specific Charges</u>	<u>354,682</u>	<u>106,734</u>	<u>1,272</u>	<u>153,317</u>	<u>191,099</u>	<u>807,104</u>	<u>4,186,825</u>
Customer Revenue Reqmnt	44,392,191	44,392,191	44,392,191	44,392,191	44,392,191	44,392,191	291,063,196
x Customer Revenue Credit	(34,787)	(34,787)	(34,787)	(34,787)	(34,787)	(34,787)	(228,085)
	(278)	(84)	(1)	(120)	(150)	(632)	(3,281)

(8) Deficit Allocation:

<u>Customer Specific Charges</u>	<u>354,682</u>	<u>106,734</u>	<u>1,272</u>	<u>153,317</u>	<u>191,099</u>	<u>807,104</u>	<u>4,186,825</u>
Revenue Reqmnt	44,392,191	44,392,191	44,392,191	44,392,191	44,392,191	44,392,191	291,063,196
x Customer Deficit	0	0	0	0	0	0	36,332,854
	0	0	0	0	0	0	522,633

(9) Total Specifically Assigned Charges	354,404	106,651	1,271	153,196	190,949	806,471	4,706,177
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Corner Brook Pulp and Paper

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	2,465,736	=	0
302,529,988				

(2) Terminal Stations:

<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>3,293,621</u>	x	3,588,418	=	80,506
146,808,289				

(3) Transmission Other:

<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>3,293,621</u>	x	1,821,259	=	13,350
449,338,277				

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>42,685,344</u>	x	2,095,013	=	199,018
449,338,277				

(b) Prod., Transmission & Distn O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>42,685,344</u>	x	0	=	0
1,636,916,026				

(c) Telecontrol O&M Overhead:

<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>92,944</u>	x	0	=	0
92,944				

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Corner Brook Pulp and Paper

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

3,293,621
42,685,344

x 631,024 = 48,690

(4) Expense Credit Allocation:

Rental Income
Other

0
(664)

(5) Revenue-Related

521

Total Operating & Maintenance Costs:

142,403

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Corner Brook Pulp and Paper

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	0
(2) Terminal Stations	33,136
(3) Feasibility Studies	0

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>93,855</u>	x	219,813	= 26,165
788,494			

Total Depreciation Expense	<u>59,301</u>
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Corner Brook Pulp and Paper

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

1,733,027
26,800,802

x 36,413 = 2,355

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

1,733,027
26,800,802

x 2,108,900 = 136,368

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

1,733,027
26,800,802

x 220,465 = 14,256

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Stephenville

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>122,926</u>	x	2,465,736	=	1,002
302,529,988				

(2) Terminal Stations:

<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>551,111</u>	x	3,588,418	=	13,471
146,808,289				

(3) Transmission Other:

<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>674,037</u>	x	1,821,259	=	2,732
449,338,277				

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>42,685,344</u>	x	2,095,013	=	199,018
449,338,277				

(b) Prod., Transmission & Distn O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>42,685,344</u>	x	0	=	0
1,636,916,026				

(c) Telecontrol O&M Overhead:

<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>92,944</u>	x	0	=	0
92,944				

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Stephenville

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

674,037
42,685,344

x 631,024 = 9,964

(4) Expense Credit Allocation:

Rental Income
Other

0
(136)

(5) Revenue-Related

157

Total Operating & Maintenance Costs:

27,190

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Stephenville

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	1,954
(2) Terminal Stations	17,046
(3) Feasibility Studies	9,294

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>17,205</u>	x	219,813	= 4,796
788,494			

Total Depreciation Expense	<u>33,090</u>
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Stephenville

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

526,255
26,800,802

x 36,413 = 715

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

526,255
26,800,802

x 2,108,900 = 41,410

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

526,255
26,800,802

x 220,465 = 4,329

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Grand Falls

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	2,465,736	=	0
302,529,988				

(2) Terminal Stations:

<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>11,728</u>	x	3,588,418	=	287
146,808,289				

(3) Transmission Other:

<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>11,728</u>	x	1,821,259	=	48
449,338,277				

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>42,685,344</u>	x	2,095,013	=	199,018
449,338,277				

(b) Prod., Transmission & Distn O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>42,685,344</u>	x	0	=	0
1,636,916,026				

(c) Telecontrol O&M Overhead:

<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>92,944</u>	x	0	=	0
92,944				

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Grand Falls

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

11,728
42,685,344

x 631,024 = 173

(4) Expense Credit Allocation:

Rental Income
Other

0
(2)

(5) Revenue-Related

2

Total Operating & Maintenance Costs:

507

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Grand Falls

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	0
(2) Terminal Stations	86
(3) Feasibility Studies	0

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>334</u>	x	219,813	= 93
788,494			

Total Depreciation Expense	179
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Abitibi Grand Falls

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

6,633
26,800,802

x 36,413 = 9

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

6,633
26,800,802

x 2,108,900 = 522

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

6,633
26,800,802

x 220,465 = 55

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
North Atlantic Refining Limited

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>0</u>	x	2,465,736	=	0
302,529,988				

(2) Terminal Stations:

<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>1,101,024</u>	x	3,588,418	=	26,912
146,808,289				

(3) Transmission Other:

<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>1,101,024</u>	x	1,821,259	=	4,463
449,338,277				

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>42,685,344</u>	x	2,095,013	=	199,018
449,338,277				

(b) Prod., Transmission & Distn O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>42,685,344</u>	x	0	=	0
1,636,916,026				

(c) Telecontrol O&M Overhead:

<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>92,944</u>	x	0	=	0
92,944				

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
North Atlantic Refining Limited

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

1,101,024
42,685,344

x 631,024 = 16,277

(4) Expense Credit Allocation:

Rental Income
Other

0
(222)

(5) Revenue-Related

225

Total Operating & Maintenance Costs:

47,655

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
North Atlantic Refining Limited

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	0
(2) Terminal Stations	51,854
(3) Feasibility Studies	0

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>31,375</u>	x	219,813	= 8,747
788,494			

Total Depreciation Expense	<u><u>60,600</u></u>
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
North Atlantic Refining Limited

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

510,477
26,800,802

x 36,413 = 694

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

510,477
26,800,802

x 2,108,900 = 40,168

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

510,477
26,800,802

x 220,465 = 4,199

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Aur Resources

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

Customer Transmission Plant

x Transmission Lines O&M

Total Transmission Plant

4,200,000

x 2,465,736

=

34,232

302,529,988

(2) Terminal Stations:

Customer Terminal Stn Plant

x Terminal Stn O&M

Total Terminal Stn Plant

1,255,000

x 3,588,418

=

30,676

146,808,289

(3) Transmission Other:

Customer Transmsn & Term Stn Plant

x Transmission Other O&M

Total Transmsn & Term Stn Plant

5,455,000

x 1,821,259

=

22,110

449,338,277

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

Total Customer Transmsn & Term Stn Plant

x Transmission O&M Overhead

Total Transmsn & Term Stn Plant

42,685,344

x 2,095,013

=

199,018

449,338,277

(b) Prod., Transmission & Distn O&M Overhead:

Total Customer Transmsn & Term Stn Plant

x Prod., Transmission & Distn O&M O/H

Total Prod., Trans & Distn Plant

42,685,344

x 0

=

0

1,636,916,026

(c) Telecontrol O&M Overhead:

Total Customer Telecontrol Plant

x Telecontrol O&M O/H

Total Telecontrol Plant

92,944

x 0

=

0

92,944

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Aur Resources

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

5,455,000
42,685,344

x 631,024 = 80,642

(4) Expense Credit Allocation:

Rental Income
Other

0
(1,100)

(5) Revenue-Related

281

Total Operating & Maintenance Costs:

166,841

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Specifically Assigned Charges
2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Aur Resources

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	0
(2) Terminal Stations	0
(3) Feasibility Studies	0

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>87,018</u>	x	219,813	= 24,258
788,494			

Total Depreciation Expense	<u>24,258</u>
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Aur Resources

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

0
26,800,802

x 36,413 = 0

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

0
26,800,802

x 2,108,900 = 0

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

0
26,800,802

x 220,465 = 0

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Newfoundland Power

Sp Assigned
Charge

Operating and Maintenance (O&M) Costs:

(1) Transmission:

<u>Customer Transmission Plant</u>	x	Transmission Lines O&M		
Total Transmission Plant				
<u>21,938,901</u>	x	2,465,736	=	178,810
302,529,988				

(2) Terminal Stations:

<u>Customer Terminal Stn Plant</u>	x	Terminal Stn O&M		
Total Terminal Stn Plant				
<u>10,211,033</u>	x	3,588,418	=	249,587
146,808,289				

(3) Transmission Other:

<u>Customer Transmsn & Term Stn Plant</u>	x	Transmission Other O&M		
Total Transmsn & Term Stn Plant				
<u>32,149,934</u>	x	1,821,259	=	130,310
449,338,277				

(4) Administration & General Overheads:

Administration & General O&M Overhead is determined by first calculating total specifically assigned overheads and then prorating to customers using individual customer plant ratios. The total of specifically assigned overheads is the sum of items (a) to (h) below.

(a) Transmission O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Transmission O&M Overhead		
Total Transmsn & Term Stn Plant				
<u>42,685,344</u>	x	2,095,013	=	199,018
449,338,277				

(b) Prod., Transmission & Distn O&M Overhead:

<u>Total Customer Transmsn & Term Stn Plant</u>	x	Prod., Transmission & Distn O&M O/H		
Total Prod., Trans & Distn Plant				
<u>42,685,344</u>	x	0	=	0
1,636,916,026				

(c) Telecontrol O&M Overhead:

<u>Total Customer Telecontrol Plant</u>	x	Telecontrol O&M O/H		
Total Telecontrol Plant				
<u>92,944</u>	x	0	=	0
92,944				

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Newfoundland Power

Sp Assigned
Charge

(d) General Plant-related O&M Overhead:

Total Specifically Assigned Plant
Total Plant

x General Plt-Related O&M O/H

45,513,202
1,799,223,632

x 256,458 = 6,487

(e) Prod,Trans,Distn Excl. Hydraulic& Hrood O&M OH:

Total Customer Transmsn & Term Stn Plant
Ttl Prod,Trans&Distn Plant Excl Hydro&Hrood Plt

x Productn & Transmsn O&M O/H

42,685,344
604,607,656

x 1,073,720 = 75,805

(f) Property Insurance:

Total Cust Term Stn Plant + Allocated Gen Plt
Total Insured Plant

x Property Insurance

19,180,770
1,374,704,722

x 1,228,317 = 17,138

(g) Expense-Related (GTDC) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct O&M Expense

x Expense-Related (GTDC) O&M Overheads

788,494
46,147,429

x 18,375,386 = 313,970

(h) Expense-Related (GTD) O&M Overhead:

Total Direct Spec Assigned O&M Expense
Total Direct GTD O&M Expense

x Expense-Related (GTD) O&M Overheads

788,494
44,466,480

x 1,049,259 = 18,606

Total Specifically Assigned O&M Overheads

631,024

Customer Share of Overhead O&M Expense:

Customer Trans Line & Terminal Stn Plant
Total Customer Trans Line & Term Stn Plt

x Total Spec. Assigned O&M Overheads

32,149,934
42,685,344

x 631,024 = 475,277

(4) Expense Credit Allocation:

Rental Income
Other

0
(6,484)

(5) Revenue-Related

6,360

Total Operating & Maintenance Costs:

1,033,862

NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Newfoundland Power

Sp Assigned
Charge

Depreciation Expense:

(1) Transmission	555,765
(2) Terminal Stations	320,745
(3) Feasibility Studies	0

(4) General Plant Depreciation Allocation:

The allocation for general plant depreciation is determined by first calculating total specifically assigned general plant allocations and then prorating to customers using individual customer ratios. The total of specifically assigned general depreciation is the sum of items (a) and (b) below.

(a) General Plant Depreciation Allocation:

<u>Specifically Assigned Direct O&M Expense</u>	x	Total Gen Plant Depreciation	
Total Direct O&M Expense			
<u>788,494</u>	x	10,861,075	= 185,577
46,147,429			

(b) General Feas Studies & Software Depreciation Allocation:

<u>Spec Assigned Direct Feas Stu & Software Depn Exp</u>	x	Total Feas Studies & Software Depreciation	
Total Direct Depreciation Expense			
<u>980,585</u>	x	717,423	= 34,237
20,548,054			

Total Specifically Assigned General Depreciation	219,813
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Customer Share of General Depreciation Expense:

<u>Customer Direct O&M Expense</u>	x	Total Spec. Assigned General Depreciation Exp	
Specifically Assigned Direct O&M Expense			
<u>558,708</u>	x	219,813	= 155,754
788,494			

Total Depreciation Expense	<u>1,032,264</u>
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NEWFOUNDLAND AND LABRADOR HYDRO

Calculation of Specifically Assigned Charges

2007 Forecast Cost of Service: July 06 Submission w/ Revised Specifically Assigned Calculations
Newfoundland Power

Sp Assigned
Charge

Gain/Loss on Disposal of Assets:

Gain/Loss on Disposal determined by first calculating total specifically assigned
Gain/Loss and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Gain/Loss on Disposal

Total Specific Net Book Value
Total Net Book Value

x Gain/Loss on Disposal

28,020,067
1,275,062,144

x 1,657,000 = 36,413

Customer Share of Gain/Loss:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Gain/Loss on Disposal

24,024,410
26,800,802

x 36,413 = 32,641

Return on Debt:

Return on Debt is determined by first calculating total specifically assigned
return on debt and then prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Debt:

Total Specific Rate Base
Total Rate Base for Debt

x Return on Debt

30,106,412
1,397,031,051

x 97,859,494 = 2,108,900

Customer Share of Return on Debt

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Debt

24,024,410
26,800,802

x 2,108,900 = 1,890,431

Return on Equity:

Return on equity is determined by first calculating total specifically assigned return on equity and then
prorating to customers using individual customer plant ratios:

Total Specifically Assigned Return on Equity:

Total Specific Rate Base
Total Rate Base for Equity

x Return on Equity

30,106,412
1,232,495,968

x 9,025,410 = 220,465

Customer Share of Return on Equity:

Customer NBV
Total Specifically Assigned Net Book Value

x Total Specifically Assigned Return on Equity

24,024,410
26,800,802

x 220,465 = 197,627