Q. Expand Schedule III of the evidence of M.G. Bradbury to show actual 2005 and projected 2006 results with variance from each to proposed 2007.

A. Please see page 2 and 3 for the expanded Schedule III.

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Rate Base
($000s)

		(1) COS 2004	(2) Actual 2005	(3) Forecast 2006	(4) Existing 2007	(5) Proposed 2007	Variance from each year to Proposed 2007 (5)-(1)	(5)-(2)	(5)-(3)	(5)-(4)
1	Capital Assets	1,936,056	1,936,965	1,973,736	2,016,023	2,016,023	79,967	79,058	42,287	0
2	Less: Contributions in aid of construction	85,906	84,626	88,982	92,256	92,256	(6,350)	(7,630)	(3,274)	0
3	Accumulated Depreciation	492,921	506,376	528,004	560,713	560,713	(67,792)	(54,337)	(32,709)	0
4	Balance - Current Year	1,357,229	1,345,963	1,356,750	1,363,054	1,363,054	5,825	17,091	6,304	0
5	Balance - Previous Year	1,371,366	1,353,344	1,345,963	1,356,750	1,356,750	(14,616)	3,406	10,787	0
6	Average	1,364,298	1,349,654	1,351,357	1,359,902	1,359,902	(4,396)	10,249	8,546	0
7										
8										
9	Cash Working Capital Allowance	3,050	2,711	3,661	3,626	3,056	6	345	(605)	(570)
10	Fuel	14,385	21,506	24,318	24,470	24,470	10,085	2,964	152	0
11	Materials and Supplies	19,387	19,912	19,912	19,912	19,912	525	0	0	0
12	Deferred Charges	82,386	81,778	83,819	82,641	83,843	1,457	2,065	24	1,202
13										
14	Average Rate Base	1,483,506	1,475,561	1,483,067	1,490,551	1,491,183	7,678	15,623	8,117	632

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Revenue Requirement Analysis
(000s)

		(1) COS 2004	(2) Actual 2005	(3) Forecast 2006	(4) Proposed 2007	Variance from each year to Proposed 2007 (4)-(1)	(4)-(2)	(4)-(3)
1	Revenue							
2	Revenue from Rates	357,225	349,889	344,380	441,375	84,150	91,486	96,995
3	Other Revenue	1,928	2,253	1,940	2,021	93	(232)	81
4	Total Revenue	359,153	352,142	346,320	443,396	84,243	91,254	97,076
5								
6	Expenses							
7	Operating Expenses							
8	Salaries and Fringe Benefits	55,638	55,733	55,922	59,312	3,674	3,579	3,390
9	System Equipment Maintenance	17,440	22,071	19,286	20,799	3,359	(1,272)	1,513
10	Insurance	2,019	1,675	1,850	2,123	104	448	273
11	Transportation	1,759	1,610	2,047	2,029	270	419	(18)
12	Office Supplies Expenses	1,913	1,948	2,103	2,109	196	161	6
13	Building Rentals and Maintenance	894	778	911	851	(43)	73	(60)
14	Professional Services	4,453	3,521	4,872	4,668	215	1,147	(204)
15	Travel Expenses	2,395	2,368	2,455	2,499	104	131	44
16	Equipment Rentals	1,756	1,129	1,240	1,524	(232)	395	284
17	Miscellaneous Expenses	4,185	4,355	4,221	4,765	580	410	544
18	Cost Recoveries	(1,858)	(2,197)	(2,999)	(2,899)	(1,041)	(702)	100
19	Allocated to non-regulated customer	(2,619)	(3,114)	(2,619)	(2,897)	(278)	217	(278)
20	Net Operating Expenses	87,975	89,877	89,289	94,883	6,908	5,006	5,594
21	Fuels							
22	No. 6 fuel	83,609	80,305	89,012	142,488	58,879	62,183	53,476
23	less: RSP deferral	0	(6,295)	(17,422)	(38)	(38)	6,257	17,384
24	Diesel and other	7,558	10,492	11,675	13,164	5,606	2,672	1,489
21	Total fuels	91,167	84,502	83,265	155,614	64,447	71,112	72,349
22	Purchased Power	33,594	36,191	37,715	38,348	4,754	2,157	633
23	Depreciation	35,648	38,771	37,475	40,762	5,114	1,991	3,287
24		248,384	249,341	247,744	329,607	81,223	80,266	81,863
26	Return on Rate Base	110,769	102,801	98,576	113,789	3,020	10,988	15,213
28	Average Rate Base	1,483,506	1,475,561	1,483,067	1,491,183	7,678	15,623	8,117
30	Rate of Return on Rate Base	7.47%	6.97%	6.65%	7.63%	0.16%	0.66%	0.98%
	Lower end of Range - .15	7.32%	7.32%	7.32%	7.48%			
	Higher end of Range +.15	7.62%	7.62%	7.62%	7.78%			