

1 Q. Provide details to support the forecast 2006 and 2007 costs related to
2 provision of electrical service to the community of Natuashish. In the
3 response, also provide details of the plant ownership and the operating
4 agreement with the Innu Nation. (Financial Consultant's Report – 2006 GRA,
5 page 25, lines 41-45, page 26 lines 2-8)
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8 A. Please refer to the attached schedule for the budget for provision of electrical
9 service in Natuashish in 2006 and 2007. The agreement that was being
10 negotiated provided that Hydro would not own the plant and that a
11 contribution towards the provision of service would be calculated at 50% of
12 the excess of costs over revenues. Please note that since Hydro has not
13 reached an agreement to provide service to this community, these items are
14 being removed from the revenue requirement as part of Hydro's next filing. If
15 an agreement is reached at some point during 2007, Hydro will seek to have
16 costs deferred to be dealt with at a subsequent GRA.

1	Natuashish Budget		
2			
3		2006	2007
4			
5	Revenue	\$ 1,005,839	\$ 1,219,462
6	Cost Recovery from Third Party	\$ 800,000	\$ 700,000
7		\$ 1,805,839	\$ 1,919,462
8	<u>Expenses</u>		
9	Direct labour plus fringe, group, EFB	\$ 135,227	\$ 139,213
10	Labour (In)	\$ 88,568	\$ 28,572
11	Overtime (In)	\$ 14,280	\$ 14,280
12	Materials	\$ 96,576	\$ 96,576
13	Tools & Op Supplies	\$ 2,900	\$ 2,900
14	Lubes, Chems & Gases	\$ 19,315	\$ 19,315
15	Telephone & Fax	\$ 4,116	\$ 4,116
16	Postage	\$ 684	\$ 684
17	Equipment Rentals	\$ 4,830	\$ 4,830
18	Travel	\$ 34,765	\$ 34,765
19	Employee Expenses	\$ 300	\$ 300
20	Building Rentals	\$ 8,400	\$ 8,400
21	Safety Supplies	\$ 17,385	\$ 17,385
22	Aircraft Costs	\$ 34,764	\$ 34,764
23	Operating project	\$ 96,000	\$ 115,300
24	Diesel	\$ 1,431,910	\$ 1,539,030
25	Fuel Delivery Fee @ \$0.10/L	\$ 204,550	\$ 204,552
26	Municipal Taxes	\$ 34,500	\$ 34,500
27	Direct Expenses	\$ 2,229,070	\$ 2,299,482
28	Overhead Allocation	\$ 317,162	\$ 286,640
29	Total Cost	\$ 2,546,232	\$ 2,586,122
30			
31	Loss	\$ (740,393)	\$ (666,660)
32			
33	Loss before overhead allocation	\$ (423,231)	\$ (380,020)