

On a bar graph (similar to the bar graph found on page 49 in the 2003 General Rate Application), please provide the following:

Q. Please provide the average rate base per customer for the years 1993 to the present forecast rate base for 2003 and for 2004. Please provide a corresponding table.

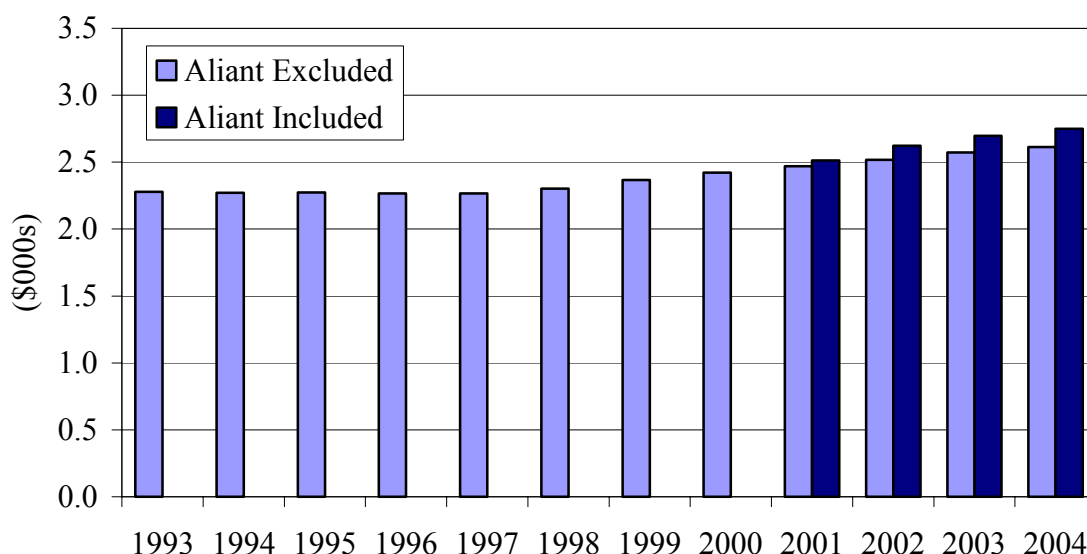
A. Graph 1 provides the average rate base per customer for the years 1993 through forecast 2004. The corresponding data can be found in Table 1.

From 2001 through 2003, Newfoundland Power's capital expenditures, and in turn, average rate base increased as a result of the purchase of joint use support structures from Aliant Telecom Inc. ("Aliant"). This extraordinary transaction was approved by the Board in Order No. P.U. 17 (2001-2002).

Graph 1 provides the rate base per customer on two bases: (1) including the impact of the extraordinary additional capital expenditures related to the purchase of joint use support structures from Aliant, and (2) excluding the impact of extraordinary additional capital expenditures related to the purchase of joint use support structures from Aliant.

Excluding the impact of the extraordinary additional capital expenditures related to the purchase of joint use support structures from Aliant provides a more comparable year over year presentation of average rate base per customer. All costs, including capital costs, of the Aliant support structures are more than fully recovered from increased third party rentals.

Graph 1
Average Rate Base per Customer: 1993 to 2004F



In the period from 1992 to 2004, inflation is forecast to be 21.3 per cent. Average rate base per customer is forecast to increase by 21.4 per cent for the same period (15.4 per cent excluding the Aliant joint use support structure purchase).

Table 1
Average Rate Base per Customer: 1993 to 2004F

Year	Average Rate Base (\$000s)		Customer Accounts	Average Rate Base per Customer (\$000s)	
		Excluding Aliant			Excluding Aliant
1993	459,560		201,628	2.3	
1994	465,334		204,900	2.3	
1995	469,676		206,674	2.3	
1996	473,122		208,796	2.3	
1997	477,419		210,686	2.3	
1998	488,204		212,110	2.3	
1999	505,688		213,641	2.4	
2000	520,979		215,210	2.4	
2001	545,162	535,435	216,879	2.5	2.5
2002 (forecast)	573,094	550,165	218,599	2.6	2.5
2003 (forecast)	594,222	566,453	220,293	2.7	2.6
2004 (forecast)	609,589	579,179	221,705	2.7	2.6