

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 electricity sales (GWh) for the years 1993 to the forecast year for 2003 and 2004. Please provide a corresponding table.

A. Graph 1 provides the average rate base per electricity sales in gigawatt hours (GWh) for the years 1993 through to 2004 forecast. 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.

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 per electricity sales.

Graph 1
Average Rate Base per Electricity Sales (GWh): 1993 to 2004F

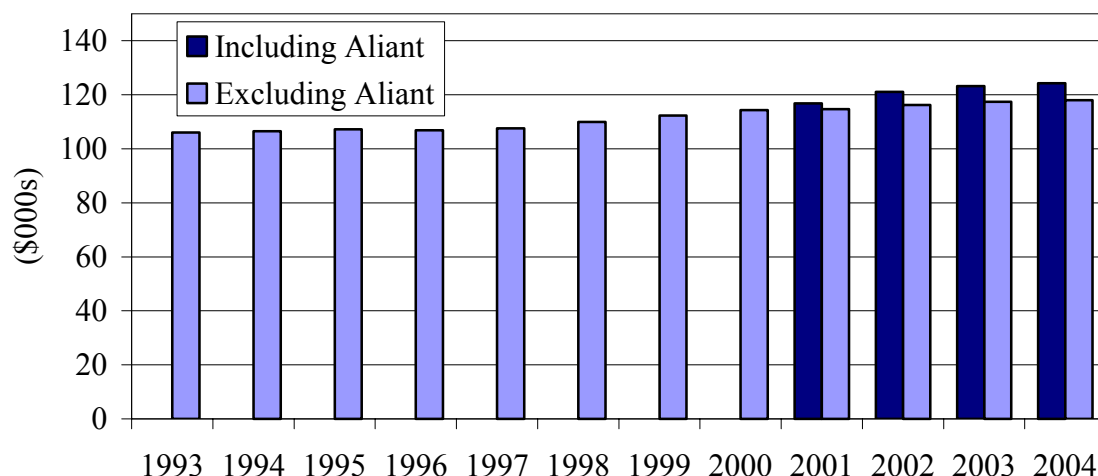


Table 1
Average Rate Base per Electricity Sales (GWh): 1993 to 2004F

Year	Average Rate Base (\$000s)		Electricity Sales (GWh)	Average Rate Base per GWh Sales (\$000s)	
		Excluding Aliant			Excluding Aliant
1993	459,560		4,286	107	
1994	465,334		4,371	106	
1995	469,676		4,382	107	
1996	473,122		4,425	107	
1997	477,419		4,438	108	
1998	488,204		4,440	110	
1999	505,688		4,500	112	
2000	520,979		4,555	114	
2001	545,162	535,435	4,667	117	115
2002 (forecast)	573,094	550,165	4,733	121	116
2003 (forecast)	594,222	566,453	4,822	123	117
2004 (forecast)	609,589	579,179	4,906	124	118