

1 **General**

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3 **Q. Ref: For the period 1999 to 2004F, show the year over year growth for the project**  
4 **costs for extensions to new customers compared with the growth in the number of**  
5 **new customers.**

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7 **A.** Table 1 provides a comparison of the growth in expenditures related to Extensions with  
8 growth in the number of new customers for the period 1999 to 2004F.  
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<b>Table 1</b> <b>Growth Rates</b> <b>Extension Expenditures vs. Gross New Customers</b>				
<b>Year</b>	<b>Expenditures for Extensions (000's)</b>	<b>% Growth</b>	<b>Gross New Customers</b>	<b>% Growth</b>
1999	\$2,800	11%	2,222	8%
2000	\$3,981	42%	2,339	5%
2001	\$5,404	36%	2,306	(1%)
2002	\$5,717	6%	2,773	20%
2003F	\$4,734	(17%)	2,488	(10%)
2004F	\$4,956	5%	2,313	(7%)

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11 Prior to the 2000, Aliant installed a greater portion of the poles associated with  
12 distribution line extensions than Newfoundland Power. This was a planned effort to  
13 achieve revenue neutrality under the old Joint Use Agreement between Newfoundland  
14 Power and Aliant. The increase in expenditures for Extensions in 2000 is largely related  
15 to the achievement by Aliant of revenue neutrality under that agreement. The level of  
16 Newfoundland Power's Extension expenditures was significantly impacted again with  
17 the acquisition of Aliant poles in 2001. Since that acquisition, Newfoundland Power has  
18 installed 100% of the poles associated with distribution line extensions.