

**Distribution**

**Q. Provide the actual calculation used to arrive at its 2004 proposed expenditure (B-34, Extensions).**

A. Table 1 contains the actual calculations used to arrive at the proposed 2004 expenditure for Extensions.

<b>Table 1</b> <b>2004 Expenditure for Extensions</b>							
Gross New Customers <sup>1</sup>	Average Cost Per New Customer <sup>2</sup>		Total Average Costs <sup>3</sup>		Special Projects <sup>4</sup>		Total Extension Costs <sup>5</sup>
	Labour	Non-Labour	Labour	Non-Labour	Labour	Non-Labour	
2,313	\$1,037.40	\$524.49	\$2,399,517	\$1,213,152	\$827,035	\$516,320	\$4,956,024

<sup>1</sup> As per customer forecast

<sup>2</sup> Historical actual cost per new customer averaged over the past 5 years

<sup>3</sup> Average Cost/New Customer \* Gross New Customers

<sup>4</sup> Special projects include recent items that as of 2004 have not yet significantly impacted historical average cost. This includes such items as increased pole installations due to the acquisition of the Aliant poles, increased contract costs for pole installations, and increased subdivision activity on the Eastern Avalon..

<sup>5</sup> [Average Cost/New Customer (Labour) \* Gross New Customers] +  
[Average Cost/New Customer (Non-Labour) \* Gross New Customers] +  
Special Projects Labour + Special Projects Non-Labour