

**Distribution**

**Q. Provide the actual calculation used to arrive at the project cost for the connection of new customers as well as for the replacement of exiting (sic) services wires.**

**A.** The following tables contain the actual calculations used to arrive at the cost of new services and the cost of replacement services.

<b>Table 1 New Services</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 Costs <sup>5</sup>
	Labour	Non-Labour	Labour	Non-Labour	Labour	Non-Labour	
2,313	\$394.51	\$157.87	\$912,493	\$365,161	\$128,733	\$45,800	\$1,452,187

<b>Table 2 Replacement Services</b>							
Total Customers <sup>1</sup>	Average Cost Per Customer <sup>2</sup>		Total Average Costs <sup>3</sup>		Special Projects <sup>6</sup>		Total Costs <sup>7</sup>
	Labour	Non-Labour	Labour	Non-Labour	Labour	Non-Labour	
212,962	\$1.19	\$0.89	\$253,410	\$188,618	\$24,951	\$27,000	\$493,979

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

<sup>2</sup> Historical actual cost per 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, such as 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

<sup>6</sup> Special projects includes projects in a number of locations in the town of Port-aux-Basques to replace deteriorated services

<sup>7</sup> [Average Cost/ Customer (Labour) \* Total Customers] +  
[Average Cost/ Customer (Non-Labour) \* Total Customers] +  
Special Projects Labour + Special Projects Non-Labour