

1 Q. If Hydro was to run a Cost of Service Study as of June 30, 2009, what would be the
2 revenue requirement of the Industrial Customer class?

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5 A. Hydro is unable to run a complete Cost of Service Study, as the underlying forecast
6 data is not yet available. However, the following pages show the calculation, and
7 assumptions, of a revised 2007 Cost of Service Study, which produces an Industrial
8 Customer revenue requirement of \$22.1 million. The calculations assume:

9 • Holyrood fuel and Specifically Assigned Charges are the only changes in the
10 2007 revenue requirement;

11 • No demand or energy for 2007 Test Year for Abitibi Consolidated
12 Stephenville or Abitibi Consolidated Grand Falls;

13 • Corner Brook Pulp and Paper Limited's annual requirements are:

14 ○ Power on Order - 26 MW

15 ○ Energy - 170,400 MWh

16 • Holyrood Fuel is reduced by 666,503 barrels, or \$36.9 million.

Basis of Allocation to Industrial Customer Firm

Allocation of Functionalized Amounts to Industrial Customers

[illegible]

NEWFOUNDLAND & LABRADOR HYDRO
2007 Forecast Cost of Service
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	19	20
		Revenue Related	
		Municipal Tax	PUB Assessment
1	Total Revenue Reqmt	897,302	560,508
2	Reduction in No. 6 Fuel - Line 37		
3	Reduction in Specifically Assigned Charges		
4	Revised Revenue Requirement	897,302	560,508

Basis of Allocation to Industrial Customer Firm (CONT'D.)

	(Rural Revenues)	(Revenues + RSP)
5	Industrial - Firm	- 46,553,585
6	Revised Industrial - Firm - Lines 24 and 30	
7	Revised Prior Year Industrial Revenue Requirement	18,633,554
8	Variance from Test Year Allocation Amount - Line 5 - Lines 6 and 7	- (27,920,031)
9	Total	37,217,493 399,817,702
10	Revised Total Test Year Allocation Amount - Line 9 - Line 8	37,217,493 371,897,671
11	Industrial Customer Allocation Percentage - Line 7 / Line 10	- 0.0501

Allocation of Functionalized Amounts to Industrial Customers

1		19	20	
		Revenue Related		
	Description	Municipal	PUB	
	2007 Test Year Industrial Customer Firm	Tax	Assessment	
12	Revenue Requirement	-	(\$) 65,264	
13	Re-classification of Revenue-Related	-	(65,264)	
14	Total Revenue Requirement	<u>-</u>	<u>-</u>	
	Revised Industrial Customer Firm		(\$)	
15	Revenue Requirement - Line 4 * Line 11	-	28,084	
16	Re-classification of Revenue-Related	-	(28,084)	requirements excluding revenue-related items.
	Total Revenue Requirement	<u>-</u>	<u>(0)</u>	

NEWFOUNDLAND and LABRADOR HYDRO
2007 Forecast Cost of Service
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1	2	3	4	5	6	7	8	9	10	11
	2007 Test Year					Adjustments				
Line No.	Forecast Power on Order (kW)	Loss and Coincidence factor Adjustment	Coincident kW @ Generation (Col 2*Col 3)	Loss Factor (Col 4*Col 5)	Coincident kW @Transmission on (Col 4*Col 5)	2010 Forecast Power on Order	Estimated Additional Reduction	Revised Forecast Power on Order (kW) (Col 7+Col 8)	Coincident kW @ Generation (Col 9*Col 3)	Coincident kW @Transmission on (Col 10*Col 5)
19 Abitibi Price - Stephenville	3,000	92.33%	2,770	97.04%	2,688	0		-	-	-
20 Abitibi Price - Grand Falls	20,000	92.33%	18,467	97.04%	17,920	0		-	-	-
21 Corner Brook Pulp & Paper Co. Ltd.	54,000	92.33%	49,860	97.04%	48,384	32,000	(8,000)	24,000	22,160	21,504
22 N. Atlantic Refining Ltd.	30,500	92.33%	28,162	97.04%	27,328	30,500		30,500	28,162	27,328
23 Aur Resources	10,000	92.33%	9,233	97.04%	8,960	9,000		9,000	8,310	8,064
24 TOTAL INDUSTRIAL	117,500		108,492		105,280			63,500	58,632	56,896

1	2	3	4	5	6	7	8
	2007 Test Year			Adjustments			
Line No.	Forecast Sales (MWh)	Loss Factor	MWh at Generation (Col 2*(1+Col 3))	2010 Forecast Sales (MWh)	Estimated Additional Reduction	Revised Forecast Sales (MWh) (Col 5 + Col 6)	MWh at Generation (Col 7*(1+Col 3))
25 Abitibi Price - Stephenville	5,700	3.14%	5,879	-		-	-
26 Abitibi Price - Grand Falls	131,400	3.14%	135,530	-		-	-
27 Corner Brook Pulp & Paper Co. Ltd.	447,600	3.14%	461,670	239,800	(69,400)	170,400	175,756
28 N. Atlantic Refining Ltd.	245,300	3.14%	253,011	254,300		254,300	262,294
29 Aur Resources	64,300	3.14%	66,321	62,500		62,500	64,465
30 TOTAL INDUSTRIAL	894,300		922,411			487,200	502,515

1	2
No. 6 (Holyrood) Fuel	
31 2007 Test Year MWh at Generation - Line 30	922,411
32 Revised MWh at Generation - Line 30	502,515
33 Decrease in MWh	(419,897) Line 31 - Line 32
34 Holyrood Efficiency Factor (kWh/bbl)	630
35 Decrease in Required No. 6 Fuel barrels	(666,503) Line 33 * Line 34
36 2007 Test Year Fuel Forecast Price (\$)	55.40
37 Reduction in 207 Forecast Holyrood Fuel (\$)	(36,924,266.20) Line 35 * Line 36

1	2	3	4
	2009 Forecast Sales (\$)	2009 Forecast RSP (\$)	2009 Forecast Total (\$)
Prior Year Revenue			
38 Abitibi Price - Stephenville	-		
39 Abitibi Price - Grand Falls	647,171	(51,649)	595,522
40 Corner Brook Pulp & Paper Co. Ltd.	7,839,690	(934,790)	6,904,900
41 N. Atlantic Refining Ltd.	10,963,062	(1,784,295)	9,178,766
42 Aur Resources	3,203,472	(1,249,106)	1,954,366
43 TOTAL INDUSTRIAL	22,653,394	(4,019,840)	18,633,554