

1 Q. Re: IN-NLH-096, Att. 1

2 Please:

- 3 • Confirm that the line “Cost Recoveries” represents billings to MIFN and/or the
- 4 Federal Government,
- 5 • Confirm that, apart from fuel costs, these Cost Recoveries represent the only
- 6 cost to MIFN and/or the Federal Government of providing electrical service to
- 7 Natuashish,
- 8 • Indicate the average cost of these cost recoveries, on a ¢/kWh basis, and
- 9 • Present the “allowance for administrative costs” (the Net Operating
- 10 Expense/(Recovery)) for each year as a percentage of total costs.

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13 A. Please refer to IN-NLH-200 Attachment 1 (Revision 1).

- 14 • Hydro confirms that the line “Cost Recoveries” represents billings to MIFN;
- 15 • Hydro bills MIFN for the costs, labour and administrative mark-ups with the
- 16 operation of the diesel plant in Natuashish. These billings are recorded as Cost
- 17 Recoveries;
- 18 • Please refer to IN-NLH-200 Attachment 1 (Revision 1) [] for the average
- 19 recoveries on a ¢/kWh basis; and
- 20 • Cost recoveries include an allowance for administrative costs; however, a
- 21 detailed breakout by year is not readily available.

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Newfoundland and Labrador Hydro
Natuashish Cost Recoveries
By kWh

| <u>Cost Type Description</u> | Actual | | | | | | Average (¢/kWh) | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|-----------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Cost Recoveries | 556,175 | 1,427,372 | 1,266,016 | 828,926 | 846,635 | 549,454 | 1,235,309 | 1,539,358 |
| kWh Consumption ¹ | 8,400,372 | 8,185,517 | 8,099,034 | 8,319,062 | 8,692,355 | 8,655,477 | 8,857,403 | 8,894,710 |
| Cost recoveries (¢) per kWh | 6.6 | 17.4 | 15.6 | 10.0 | 9.7 | 6.3 | 13.9 | 17.3 |

¹ Net energy produced at the diesel plant.