

1 Q. **B-48, Increase Generation Capacity – Mary’s Harbour \$1,489,000**

2 What will be the impact on the Rural Deficit of the proposed new mobile diesel
3 plant?

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6 A. The impact to the Rural Deficit will be an increase of \$158,410 attributable to the
7 customers in the Labrador Isolated System. This is comprised of an increase in
8 annual depreciation expense of \$59,560 and an increase in Return on Debt (based
9 on 2007 Test Year) of \$98,850 due to the additional net plant in Rate Base. The
10 capital outlay related to Mary’s Harbour of \$1,489,000 is assumed to have a 25-year
11 life consistent with other diesel plant assets.