

1 **Volume 1, Section 3 – Finance**  
23 **Q. (Section 3.4: Rate Base and Exhibit 8: 2008 Forecast Average Rate Base)**  
45 **a. Please provide a four-way breakdown (in \$millions and percentages of total) of**  
6 **the Company's average total regulated rate base assets, for 2006, and forecasted**  
7 **for 2007 and 2008, into electricity generation, transmission, distribution, and**  
8 **other assets.**  
910 **b. Does the Company expect the proportional composition of its regulated rate base**  
11 **assets, as revealed in answer to (a), to change in any significant way over the**  
12 **next (i) 5 years and (ii) 20 years?**  
1314 **A. (a) Table 1 contains a breakdown of total average regulated rate base assets included in**  
15 **average rate base for the period 2006 to 2008 forecast.**  
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**Table 1**  
**Average Regulated Assets Included in Rate Base**  
**2006 to 2008**  
**(\$000S)**

	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	<b>Actual</b>	<b>%</b>	<b>Forecast</b>	<b>%</b>	<b>Forecast</b>	<b>%</b>
Generation	135,629	11%	147,457	12%	159,747	13%
Transmission	90,629	8%	94,131	7%	98,100	8%
Distribution	687,892	59%	709,278	59%	729,178	58%
Substations	128,120	11%	127,107	11%	130,422	10%
Other	125,348	11%	130,936	11%	132,537	11%
<b>Total<sup>1</sup></b>	<b>1,167,618</b>		<b>1,208,909</b>		<b>1,249,984</b>	

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19 (b) In its annual capital budget filings, Newfoundland Power submits a five year capital  
20 budget plan. A review of the five year capital budget plan submitted with the 2008  
21 Capital Budget Application shows that for the period 2008 to 2012, the composition  
22 of regulated assets is similar to that as shown in Table 1. Newfoundland Power does  
23 not have a detailed analysis of asset composition beyond 2012, however, it is not  
24 expected that under the current circumstances, that the composition of assets will  
25 materially differ than that found in Table 1.  
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<sup>1</sup> The numbers shown in Table 1 are net of construction work in progress. Construction work in progress is not included in the calculation of average rate base. The Company proposes to recover the financing costs associated with work in progress through the calculation and inclusion of AFUDC in rate base.