

Volume 1, Section 1 - Introduction

Q. (page 2, Table 2) The contribution of NP’s costs to the total cost of electricity on a kWh basis for the period 2002 to 2006 is provided. Please reproduce the table showing the contribution of NP’s costs as forecast for 2007 and 2008, including NP’s proposals in this Application.

A. Table 1 shows the contribution of Newfoundland Power’s costs to the total cost of electricity on a kWh basis for the period 2002 to 2006 updated to include forecast 2007, and 2008 under existing and proposed rates.

Table 1
Cost of Electricity: 2002 to 2008
(cents/kWh)

	2002	2003	2004	2005	2006	2007	2008 Existing	2008 Proposed
Total Cost of Electricity ¹	7.97	8.12	8.60	9.19	9.63	9.77	9.51	9.95
Newfoundland Power’s Contribution ²	3.19	3.07	3.08	3.07	3.05	2.94	2.80	3.13

¹ Cost of electricity divided by electricity sales. Cost of electricity includes rate stabilization account (“RSA”) charges, municipal tax account (“MTA”) charges and the Company’s revenue from rates.

² The contribution margin divided by electricity sales. The contribution margin is the Company’s revenue from rates less purchased power expense.