

1 **Volume 1, Section 4 – Customer Rates and Regulations**

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3 **Q. (page 113, lines 16-17) Why has NP based the cost of service study on 2005 rather**
4 **than 2006 results? Does NP plan to update the cost of service study to reflect 2006**
5 **results?**

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7 A. The Company has based the cost of service study on 2005 rather than 2006 results
8 because a 2006 cost of service study could not be completed in time for the filing of the
9 Application.

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11 Newfoundland Power does not plan to complete a 2006 cost of service study for use in
12 determining rates for 2008. It is Newfoundland Power's assessment that a cost of service
13 study based on 2006 costs would not provide materially different results than the 2005
14 Cost of Service Study which has been used as a guide in determining the customer rates
15 proposed in the Application.