

1 Q. **Re Upgrade Enterprise Storage Capacity (D-78)**

2 What is the basis for the cost recovery of \$72,500?

3

4

5 A. Cost recovery calculated in this case is based on a ratio which is calculated using the  
6 number of employees, number of email users, number of personal computers and  
7 number of JD Edwards users across each line of business. The ratio is reviewed on a  
8 yearly basis and is currently as follows.

Line of Business	Cost Recovery Percentage
Hydro	68%
Churchill Falls	19%
Nalcor	5%
Oil and Gas	1%
Lower Churchill Project	6%
Bull Arm	1%