

- 1                   -     \$2.6 million for 230 KV bus modifications at Bay D'Espoir; and  
2                   -     \$4.3 million for the addition of a 125 MVA, 230/66 KV  
3                   transformer at the Hardwoods Terminal Station.

4

5           Q.     Would you please explain how you have assigned Hydro's plant to  
6           particular customers?

7           A.     For 1992, Hydro has classified its plant based on the new costing  
8           methodology in the following categories:

- 9                   i)     Common - Generation and Transmission;  
10                   ii)    Common - Distribution; and  
11                   iii)   Customer Specifically Assigned.

12                   Schedules VII and VIII are single line diagrams of the Island and  
13                   Labrador Interconnected power systems for the year 1992 showing the  
14                   assignment of plant for that year.

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1 The following facilities have been classified as "Common - Generation  
2 and Transmission":

3 a) All of Hydro 's production facilities (hydraulic, thermal, gas turbine  
4 and diesel); and

5 b) All of Hydro 's transmission and terminal facilities 66 kV and  
6 above which are of substantial benefit to more than one customer  
7 or interconnect significant generation facilities of Hydro or our  
8 customers to the system.

9 The classification "Common - Distribution" consists of all of Hydro 's  
10 distribution substations 66 kV and below and distribution facilities between  
11 these substations and Hydro 's rural customers.

12 All of Hydro 's generation and distribution facilities in the Isolated Rural  
13 Systems have been assigned to customers served from these systems.

14 The remainder of Hydro 's facilities are assigned directly to the customers  
15 who use them and have been classified as "Customer Specifically  
16 Assigned".

1 Q. Has the new costing methodology proposed by Dr. Sarikas resulted in  
2 changes in assignment of plant since the last referral?

3 A. Yes, there has been a number of significant changes as follows:

4 1. All facilities associated exclusively with the transmission system, 66  
5 kV and above, and previously classified as Hydro Rural  
6 (Interconnected) are now classified as "Common - Generation &  
7 Transmission";

8 2. All terminal stations 138 kV and below which are associated  
9 exclusively with distribution and were previously classified as Hydro  
10 Rural (Interconnected) are now classified as "Common  
11 Distribution";

12 3. The transformers T10, T11 and T12 and associated 230 kV and 69  
13 kV buses, disconnects and breakers at Bay D'Espoir previously  
14 classified as Hydro Rural (Interconnected) are now classified as  
15 "Common - Generation & Transmission";

1           4.    The diesel generators and transformer T3 at Hawke's Bay  
2                    previously classified as Hydro Rural (Interconnected) are now  
3                    classified as "Common - Generation & Transmission";

4           5.    The breakers B3L130, B3L133 and B3L10, and associated  
5                    disconnects at Stony Brook, the transmission line TL210 from Stony  
6                    Brook to Cobb's Pond, and the breakers L109T4, L100L109,  
7                    L19L100 and associated disconnects at Sunnyside, previously  
8                    assigned to NLP, are now classified as "Common -Generation &  
9                    Transmission"; and

10          6.    The 230/66 kV transformer to be installed at Hardwoods Terminal  
11                    Station in 1992 will be classified as "Common -Generation &  
12                    Transmission".

13          Q.    Does this conclude your evidence?

14          A.    Yes.