

NEWFOUNDLAND AND LABRADOR HYDRO
SUPPLEMENTARY EVIDENCE OF J.A. BRICKHILL

1 Q. What is the purpose of this supplementary evidence?

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3 A. The purpose of this supplementary evidence is to file a revised Cost of
4 Service Study (Exhibit JAB-1, Rev. 1) attached, which reflects the following
5 changes from the Cost of Service Study originally filed as Exhibit JAB-1:

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7 (a) Revised operating and maintenance expense allocations associated
8 with Transmission and Rural Operations, the details of which have
9 been explained by Mr. Reeves. Within the Cost of Service Study,
10 these changes are reflected on Schedule 2.4, Functional Classification
11 of Operating & Maintenance Expense, for each of the five systems.

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13 (b) Revised municipal tax allocation to allocate this expense among
14 systems based on Rural revenues for the prior year. Previously, this
15 amount was included as part of Expense-Related Overhead, and
16 allocated among systems and functions based on direct operating
17 costs. Within the Cost of Service Study, these changes are also
18 reflected on Schedule 2.4, Functional Classification of Operating &
19 Maintenance Expense, for each of the five systems. This change was
20 indicated in the response to NP-212.

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22 (c) Revised functionalization of wheeling charges paid by Hydro to
23 Newfoundland Power to supply Hydro Rural customers. This amount
24 has now been functionalized as Rural Transmission, whereas
25 previously it was functionalized as Common Transmission. Within the
26 Cost of Service Study, this change has been reflected on Schedule
27 4.4, Power Purchases.

1 These allocations have been revised to more closely reflect cost causality.
2 The resulting revised revenues for Newfoundland Power, Island Industrial
3 customers and Rural Labrador Interconnected customers have been
4 incorporated in the Cost of Service Study on Schedule 1.2. The resulting
5 revenue impacts are outlined in the supplementary evidence of Mr. Hamilton.

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7 Q. Could you please summarize the effect of these changes?

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9 A. The impacts of the changes in the 2002 Cost of Service study are
10 summarized in the attached Schedule III.

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12 Q. Does this conclude this supplementary evidence?

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14 A. Yes.