

1 Q. On page 5, lines 26 to 28 of his Prefiled Testimony, Mr. Brickhill states that
2 the results from the cost of service study allocate a somewhat lower
3 proportionate classification to the customer component than generally used
4 by Canadian utilities. Provide the supporting analysis for this statement. Is it
5 reasonable to assume that customer-related costs on the Island
6 Interconnected System are roughly the same as customer-related costs on
7 the Labrador Interconnected System? If not, explain why.

8

9

10 A. The statement was based on a review of pages 15-17 of the December 1998
11 “Study of Distribution System Cost Classification” provided in response to
12 NP-123. A summary comparison of Hydro with other Canadian utilities is set
13 out on the attached Exhibit.

14

15 Yes the customer-related costs on the Island Interconnected System are
16 roughly the same as on the Labrador Interconnected System as shown in
17 Exhibit JAB-1, Schedule 1.3, column 6, page 1 of 5 for Island Interconnected
18 and page 5 of 5 for Labrador Interconnected. The table below provides a
19 summary of unit customer costs by rate class for each system.

	<u>Island Interconnected</u>	<u>Labrador Interconnected</u>
Domestic	\$20.73	\$19.30
General Service 2.1	23.21	21.56
General Service 2.2	38.25	35.32
General Service 2.3	38.82	36.45
General Service 2.4	35.94	36.45
Street Lighting	29.12	36.20

PERCENTAGE OF DISTRIBUTION COST CLASSIFIED AS CUSTOMER RELATED

UTILITY	PRIMARY LINES			DISTRIBUTION TRANSFORMER	SECONDARY LINES			SERVICES	METERS	TOTAL THREE PHASE PRIMARY	URBAN SINGLE PHASE PRIMARY	RURAL SINGLE PHASE PRIMARY	
	PRIMARY COND.	POLES	TOTAL		SECONDARY COND.	POLES ¹	TOTAL						
NOVA SCOTIA POWER CORP.	0%	0%	0%	0%	100%	100%	100%	100%	100%				
EDMONTON POWER	0%	0%	0%		BASED ON SPECIFIC ASSIGNMENT								
NEWFOUNDLAND POWER	33%	33%	33%	25%	33%	33%	33%	100%	100%				
HYDRO QUEBEC	18.40%	89.70%	44.50%	45.50%	18.60%	88.70%	NA	100%	100%				
SASKPOWER				61%				100%	100%	100%	0%	63.50%	81.00%
NEW BRUNSWICK POWER	50%	50%	50%	25%	50%	50%	50%	50%	NA				
BC HYDRO				0%						0%	100%	100%	
NEWFOUNDLAND HYDRO	11.30%	19.80%	16.20%	63.90%	41.70%	12.20%	36.40%	100%	100%	0%			

Notes: 1. 100% of poles used for secondary are considered to be customer related. 35% of total poles (used to support primary and for secondary) are considered as secondary line poles.