

1 Q. Provide the Forecast Cost of Service and the actual Cost of Service for  
2 Hydro for each of 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999 and  
3 2000.

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6 A. On a forecast basis, the following Cost of Service studies are available and  
7 are attached:

8 (a) 1992 Forecast, resulting from the 1992 Rate Hearing;

9 (b) 1992 Forecast, resulting from the 1993 Methodology Hearing;

10 (c) 1993 Forecast;

11 (d) 1994 Forecast; and

12 (e) 1995 Forecast.

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14 Actual Cost of Service studies are attached for

15 (f) 1992;

16 (g) 1993;

17 (h) 1994;

18 (i) 1995; and

19 (j) 1999 (Revised).

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21 The actual Cost of Service for 1996 is not available. During 1996 there was  
22 a major interconnection, namely the St. Anthony / Roddickton system, to the  
23 Island Interconnected system. It is not possible to produce a meaningful  
24 annual cost of service in light of this major system being included in both  
25 Isolated Systems and the Island Interconnected System at different times  
26 during the year.

1 Cost of Service Studies for 1997, 2000, and 2001 are not currently available.  
2 During 1998 Hydro commenced a major redesign of its cost of service model  
3 using new software. Once the new software was completed priority was  
4 given to producing the actual 1999 Cost of Service in response to Order No.  
5 P.U. 23 (1999-2000) and subsequently to producing the 2002 Cost of  
6 Service in light of Order No. P.U. 25 (2000-2001). It should be noted that it is  
7 generally a matter of 8-10 weeks of effort from start to finish to complete a  
8 Cost of Service Study. However, the actual Cost of Service Studies for 1997  
9 and 2000, as well as the forecast Cost of Service Study for 2001, are in  
10 progress.

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12 The Cost of Service for 1998 is not available. During 1998 there was a  
13 complete reorganization of the corporation into business units.  
14 Simultaneously, we began a phased implementation of a new integrated  
15 accounting system. Because the recording of operating expenses by  
16 business unit was not standardized for 1998, it is not practical to perform the  
17 analysis required for Cost of Service purposes.

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19 Hydro filed the 1999 Actual Cost of Service in response to Order No. P.U. 23  
20 (1999-2000). A revised 1999 Actual Cost of Service is attached reflecting  
21 revisions to:

- 22 (a) peak data;
- 23 (b) interest expense;
- 24 (c) purchased power expense; and
- 25 (d) loss on disposal of Roddickton assets.

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27 Small corrections were also made to operating expenses.