

1 Q. Provide the basis for the allocation of employee future benefits between
2 regulated and non-regulated operations (KCM, page 14, lines 5-8).

3

4 A. Employee future benefits are included in the Cost of Service as an
5 Overhead, split among systems, functions and classifications based on direct
6 expenses. The allocation between regulated and non-regulated operations is
7 based on the allocation factors applicable to that functionalized and classified
8 amount. Non-regulated operations (IOCC in Labrador Interconnected) is
9 therefore allocated a portion of the expense based on its proportionate
10 Production Demand CP kW, Production and Transmission Energy MWh at
11 Generation, and Transmission Demand CP kW. See Exhibit JAB-1, page 88.