

IC-444 PUB

Please confirm that EES proposes to classify 22% of all Island Interconnected hydro, Holyrood, diesel and gas turbines and hydraulic-related transmission line plant costs 22% to demand, as well as all fuels consumed and all O&M per Exhibit C page 3.

Response:

EES Consulting proposes to use a Peak Credit methodology to classify all production related costs. The 22% calculated based on available data provides reasonable and expected results. EES Consulting Exhibit C page 3 provides the functionalization and classification ratios used for generation, fuel and transmission & terminals under the proposed Peak Credit methodology.