

1       Q.     Please advise on the practice of other Canadian utilities with respect to  
2             the allocation of utility owned generation assets. Specifically, do any  
3             other Canadian utilities specifically assign utility owned generation  
4             assets to individual customers or customer groups? If so, please  
5             describe.

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7       A.     Yes.

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9             Utilities, including Newfoundland Hydro, routinely assign utility owned  
10            generation to individual customers or customer groups if these are the  
11            only customers that see material benefit from the generation. For  
12            example, only customers on the same grid may be assigned costs for  
13            utility generation related to that grid (Labrador customers are not  
14            assigned the costs of Island generation and vice-versa).

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16            In some cases, utilities will also specifically assign the costs of utility  
17            generation to only certain customers on the same grid. For example, in  
18            the Northwest Territories, the costs of diesel generation on the Snare-  
19            Yellowknife grid are not assigned to the customers in one community  
20            on that grid, as the generation does not service them. In addition, on  
21            a separate grid in the southern Northwest Territories, utility owned  
22            diesel generation in two communities (Fort Smith and Fort Resolution)  
23            is specifically assigned to each community in the cost-of-service and  
24            not charged to each other or the wholesale customer on the grid. In  
25            addition, the wholesale customer on that grid maintains their own  
26            back-up generation (similar to NP thermal generation) which does not  
27            receive any "generation credit" of the type proposed for the NP  
28            generation.