

1 Q. In the 1993 generic COS report the board recommended "...that Hydro
2 prepare a revised study of distribution cost for presentation to the board..."
3 Please provide this study and any additional information gathered and used
4 to determine the classification based on both the minimum system method
5 and the zero-intercept method. If Hydro has not calculated classification
6 factors by the minimum system methodology, please explain why.

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9 A. Please see response to PUB-17 NLH for a copy of the revised study of
10 distribution costs, which was initially filed at Hydro's 2001 General Rate
11 Application.

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13 The issue of the use of the zero-intercept method for classification of
14 distribution system costs was considered and decided by the Board at the
15 last rate hearing. Please refer to P.U. 7, (2002-2003), pages 108 – 109. As
16 the Board found the zero-intercept method acceptable, and data availability
17 remains an issue, Hydro has not calculated classification factors by the
18 minimum system methodology.