

1 Q. (Re: Pre-filed Testimony of P. Bowman and H. Najmidinov, page 3, lines 15
2 to 20). It is stated that the cost of service study uses a 2013 load level for
3 NP that does not reflect an appropriate peak load level. Would use of
4 forecast 2014 or 2015 load levels in the cost of service for both NP and the
5 ICs alleviate this problem? If not, why not?

6 A. No. This is for two reasons:

7 1) Using a 2014 or 2015 load level as an allocator for costs would not match
8 the revenue requirement to be allocated in the 2013 Cost of Service.

9 2) The issue noted in the evidence is not specific to the 2013 Test Year *per*
10 se, it is an issue with the methodology Hydro used for the peak load input
11 for NP in the 2013 Cost of Service study ("2013 COS"). NP's peak loads
12 for the first months of 2013 are based on actuals¹, without a weather
13 adjustment. This impacts the results in two ways: (1) the peak loads are
14 not correct for a "normalized" forecast Test Year COS, and (2) as a result
15 of using lower actual peaks without weather normalization, the Coincident
16 Peak allocation, which is usually February, is instead shifted to December
17 in the 2013 COS, which does not reflect normal patterns for peak energy
18 usage.

¹ IC-NLH-105.