

1 Q. **Cost of Service**

2 (Amended GRA, Schedule A) Please provide justification for including CBPP in the
3 Industrial Customer class including a description of CBPP load and generation, and
4 an explanation of how its demand characteristics are similar to other customers in
5 the Island Industrial Customer class.

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8 A. CBPP is directly supplied from the bulk transmission system from a transformer
9 with a primary side voltage of 230 kV and therefore meets the definition of an
10 Industrial Customer in the same manner as Hydro's other Industrial Customers.
11 This is consistent with the definition of an Industrial Customer under the EPCA,
12 which is as follows:

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14 "industrial customer" means any person purchasing power, other than a
15 retailer, supplied from the bulk transmission grid at voltages of 66 kV or
16 greater on the primary side of any transformation equipment directly supplying
17 the person.

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19 The important factor in the determination of whether CBPP is an Industrial
20 Customer is that this customer does not benefit from a distribution system and,
21 therefore, does not attract or pay for distribution costs. In some jurisdictions,
22 Industrial Customers are referred to as "transmission level" customers. The
23 demand characteristics of a customer are not a factor that Hydro applies when
24 determining if a customer should be treated as an Industrial Customer.