

1 Q. **Cost of Service**

2 Please provide a table showing cost allocations and rate increases for the Island
3 Interconnected System customer classes comparing those proposed to a scenario
4 based on the 2015 Test Year loads with Teck Resources, NARL and CBPP forming
5 one industrial customer class and with Vale and Praxair forming another separate
6 industrial customer class.

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9 A. In Hydro's response to CA-NLH-306, which hypothesized a separate customer class
10 for each IC, Hydro states as follows:

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12 If the IIC rate is disaggregated into individual rates for each customer
13 there would be virtually no difference in the charges to each IIC versus
14 under the present rate structure and would result in the need to
15 restructure Hydro's Island Interconnected Cost of Service study.

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17 It is also necessary to restructure the Island Interconnected Cost of Service study to
18 determine the results of two customer classes as proposed in this RFI. It is Hydro's
19 view that this cannot be completed within the timeframe for the responses to this
20 round of RFIs. Moreover, if the IIC rate is disaggregated into two customer classes
21 there would be virtually no difference in the charges to each IIC versus under the
22 present rate structure

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24 Refer also to Hydro's response to CA-NLH-306.