

1 **Q. Re: Wilson Pre-Filed Testimony, page 12. Dr. Wilson recommended in his**
2 **2001 evidence to the Newfoundland and Labrador PUB that some degree of**
3 **transmission costs should be allocated to energy, rather than 100% to**
4 **demand. In that proceeding, Hydro (at NLH -38) asked Dr. Wilson to**
5 **provide the names of any U.S. and Canadian utilities that allocate**
6 **transmission costs based on energy. Dr. Wilson responded: "Dr. Wilson has**
7 **not undertaken the requested survey".**

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9 **Please indicate if Dr. Wilson has now completed the noted**
10 **survey and can provide names of any jurisdictions that classify**
11 **a "significant portion of all transmission plant costs to energy"**
12 **along with all relevant supporting details.**
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15 **A. Dr. Wilson has not undertaken such a survey. Note, however, that Hydro**
16 **allocates the majority of its transmission costs for connecting hydraulic plants to**
17 **the network based on energy, in recognition of the fact that the hydroelectric**
18 **plants with which these lines are associated are cost-justified primarily by energy**
19 **requirements and not solely by peak demand. The same reasoning applies to the**
20 **transmission network more generally, warranting an allocation that is based on**
21 **both demand and energy. Montana is one U.S. jurisdiction that I have testified in**
22 **recently that allocates transmission plant costs to both demand and energy for**
23 **Montana-Dakota Utilities ("MDU") following an "average and excess"**
24 **methodology.**