

1    Q.    **2013 General Rate Application, Cost of Service**

2            Provide a detailed explanation as to why services and meters should be allocated  
3            entirely on the basis of customers, and indicate whether each of these items are  
4            allocated on the basis of total customers or weighted customers.

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7    A.    Service and meter costs are incurred on a customer-by-customer basis, and are  
8            therefore appropriately allocated on the basis of customers using cost causality as a  
9            principle. Schedule 3.1 of Hydro's Cost of Service Study shows that both of these  
10           items are allocated on the basis of weighted customers, as the costs vary based  
11           upon the type of service provided.