

1 Q. Please indicate whether the Oxen Pond Terminal Station is considered a common
2 asset or specifically assigned to Newfoundland Power in the most recent Hydro cost
3 of service study.

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6 A. Under Hydro's assignment of plant guidelines used for cost of service studies, the
7 assignment of a component physical plant as a "common asset" requires that the
8 asset in question be of benefit to two or more customers. As a result, all of Hydro's
9 generation sources connected to the Island Interconnected Transmission System
10 are of benefit to all customers, and therefore are treated as "common assets" in the
11 cost of service. Similarly, the bulk 230 kV transmission system that connects the
12 generation sources to all customers is also considered a "common asset" for the
13 purposes of cost of service. With respect to the existing Oxen Pond Terminal
14 Station, for cost of services purposes, all assets at this location are considered
15 "common assets". The rationale for this plant assignment is that:

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- the 230 kV portion of the station is connected to the bulk 230 kV
18 transmission network which connects common generation and common
19 transmission to multiple customers on the Interconnected System; and
 - the 230/66 kV power transformers and 66 kV buses are connected to an
20 underlying 66 kV transmission system owned by Newfoundland Power that
21 provides a transmission path for Hydro's Hardwoods Combustion Turbine
22 output and Hydro's purchases from the Fermuse Wind Project to flow into
23 the common transmission system.
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