

1 Q. (October 28, 2014 Cover Letter submitted with Application) It is stated that the
2 capacity payment proposed for CBPP is \$28/kW per winter for a total annual
3 payment of \$1,680,000. Which customer classes will be responsible for paying the
4 \$1,680,000, how much will be allocated to each of these classes, and what will be
5 the impact on the rates for each of these classes?
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8 A. In Hydro's Amended GRA filing provided to the Board on November 10, 2014, Hydro
9 has proposed to treat the cost of capacity assistance agreements as a production
10 demand cost in the 2015 Test Year Cost of Service Study on the Island
11 Interconnected System. The costs allocated to each class of service would be
12 allocated based upon a single coincident peak allocator.
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14 The impact on customer rates for each class will depend on the Board's ruling on
15 Hydro's proposal. From an overall perspective, \$1.7 million in additional costs
16 represents approximately 0.3% of customer billings at existing rates.