

1 **Volume 2, Tab 10 – Cost of Service Study**

2
3 **Q. (page 4) How does NP define a transmission asset versus a distribution asset?**

4
5 A. For the Cost of Service Study, the Company uses a specific delimitation point to separate
6 assets between the transmission and distribution functions.

7
8 The delimitation point between transmission and distribution occurs within substations
9 requiring an allocation of substation assets between the transmission and the distribution
10 function.¹ The relevant delimitation point is the transmission voltage side of the
11 substation distribution power transformer.

12
13 Distribution power transformers are transformers that step the voltage down from
14 transmission voltage (greater than 25kV) to distribution primary voltages (25 kV and
15 below).

¹ The Cost of Service Study also functionalizes a portion of the substation assets as part of the generation function.