

1 Q. **Exhibit 13 – Cost of Service Expert Evidence**

2 Page 14 of 60, lines 5-8 – It is stated that certain large utilities develop a means of
3 sharing directly assigned costs across direct assignment customers, with sharing
4 usually based on original costs. Confirm that this approach is similar to Hydro’s
5 current approach. In the response explain any differences with Hydro’s current
6 approach.

7

8

9 A. The appendix of the memorandum attached to Exhibit 13 (Exhibit BRC 2) identifies
10 NB Power and Emera Maine as large utilities with some form of sharing of directly
11 assigned transmission-related O&M costs. The reference to NB Power practices is
12 erroneous and requires correction, based on further investigation with NB Power.

13

14 NB Power does indeed have direct assignment of certain O&M costs but these are
15 actually allocated to rates based on a coincident peak allocator. The error arose
16 from misunderstanding of previous statements in a telephone interview conducted
17 in preparation of the memorandum. As stated previously, Emera Maine’s approach
18 applies to generation sources rather than loads.

19

20 A corrected version of Exhibit BRC 2 in Exhibit 13 was provided in Revision 2 to
21 Hydro’s 2017 General Rate Application filed on October 16, 2017.