

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

2 Exhibit 13, Schedule 2.1E - The expense listed on line number 3 (Fuels-Diesel) is
3 allocated only as Production Demand. Provide a detailed explanation as to why in
4 the case of Labrador Interconnected these expenses should be allocated as
5 Production Demand while in the case of Island Isolated (Schedule 2.1B), Labrador
6 Isolated (Schedule 2.1C) and L'Anse au Loop (Schedule 2.1D) these expenses have
7 been allocated as Production and Transmission Energy.

8

9

10 A. In the case of Labrador Interconnected System, these expenses should be allocated
11 as production demand since the fuel costs relate to units which are used for
12 peaking and have been classified as production demand. In the case of Island
13 Isolated, Labrador Isolated and L'Anse au Loup systems, fuel is treated as energy,
14 similar to the treatment of Holyrood fuel on the Island Interconnected System.
15 Please also refer to the response to PUB-NLH-113.