

1 Q. (Reference 2017 GRA Volume II, Exhibit 13, page 53 of 60) It is stated “*Bonneville*
2 *Power Administration allocates O&M costs based on asset measures (circuit miles of*
3 *line, type of pole, size of substation/transformer) and applies system per-unit O&M*
4 *costs pertaining to these facilities.*” Does Hydro track costs in this manner today and
5 did it consider using this methodology for allocation of specifically-assigned O&M
6 costs? What would be the cost consequences for Newfoundland Power and each
7 Island Industrial Customer if this methodology were employed?

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10 A. Hydro does not track costs down to the individual asset level to be able to apply
11 system per-unit (average) O&M costs. In order to be able to provide system
12 averages such as this, Hydro would require a much more intensive breakdown of
13 O&M work orders to provide accurate measurement data, an intensive study of the
14 whole system, and would have to maintain such information going forward.
15 Bonneville Power Administration’s contractual arrangements for O&M service
16 providers allow for these calculations; however, given the relatively small number
17 of assets specifically assigned to Newfoundland Power and the Island Industrial
18 Customers, developing and maintaining data collection to enable this methodology
19 would put an unreasonable burden on the maintenance staff and is not a practical
20 solution.

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22 Given that Hydro does not have the data required in order to be able to make the
23 calculation of consequences for Newfoundland Power and each Island Industrial
24 Customer if this methodology were employed, no impact on using this methodology
25 can be provided.