

1 Q. **Volume III (3rd Revision), Exhibit 15: 2019 Test Year Cost of Service Study**

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3 Please provide detailed calculations for each line item in Column 5, *Transmission*
4 *Demand*, and Column 18, *Specifically Assigned Customer*. (Volume III (3rd Revision),
5 Exhibit 15: 2019 Test Year Cost of Service Study, Schedule 2.4A, Page 1 of 2)

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7 A. Please refer to Hydro's response to NP-NLH-259 for an explanation of how Hydro
8 derived the numbers in Columns 5 and 18.

Tables 1, 2, and 3 reflect the 2019 Test Year Cost of Service.

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Table 1 Determination of Transmission Operating and Maintenance Expense to be Sub-Functionalized between Transmission Common and Specifically Assigned (2019TY)

1	2	3	4	5	6	7	8
	Total O&M	Production Demand	Production Energy	Rural Transmission	Rural Distribution	Accounting	Transmission O&M
Direct O&M Expense							
Transmission Lines	3,298,719	124,825	150,127	510,598	-	-	2,513,169
Terminal Stations	4,519,337	403,772	375,283	293,152	173,478	-	3,273,652
Other	2,335,788	130,929	137,302	287,274	31,707	-	1,748,576
Total Directly Assigned O&M	10,153,844	659,526	662,712	1,091,024	205,185	-	7,535,397
Administrative & General							
Plant-Related							
Production	6,615,274	3,833,862	2,781,413	-	-	-	-
Production, GT & Diesel	1,141,472	1,141,472	-	-	-	-	-
Transmission	3,610,434	202,377	212,228	444,040	49,009	-	2,702,780
Distribution	1,706,807	-	-	-	1,706,807	-	-
Production, Transmission, Distribution and General Plant	157,113	54,141	39,147	7,011	13,627	365	42,458
Production, Transmission, Distribution, excluding Hydraulic and Holyrood	1,159,338	205,685	48,566	101,614	184,967	-	618,506
Property Insurance	1,991,617	951,820	676,550	26,847	47,799	6,579	282,022
All Expense-Related	27,578,856	13,074,155	6,374,968	490,108	3,257,005	997,579	3,385,041
Production, Transmission and Distribution Expense-Related	1,447,329	711,877	347,112	26,686	177,341	-	184,313
Total Administrative & General	45,408,240¹	20,175,388	10,479,985	1,096,306	5,436,556	1,004,522	7,215,482

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¹ The total differs from the Cost of Service, Schedule 2.4A as Municipal Tax and PUB Assessment costs are not allocated within this schedule and therefore have been excluded in the illustration.

Total per Table 1	\$45,408,240
Municipal Tax	\$ 1,313,764
PUB Assessment	<u>\$ 1,039,528</u>
Total per Schedule 2.4A	\$47,761,532

Table 2 Derivation of Specifically Assigned Allocation based on Indexed Values (2019TY)

	Total Indexed Asset Values (\$ millions)	Specifically Assigned (\$ millions)	Specifically Assigned (%)
Transmission Lines	1,427.8	93.5	6.5
Terminal Stations	848.4	86.7	10.2
Total Transmission and Terminals	2,276.1	180.2	7.9

**Table 3 Sub-Functionalization of Transmission O&M between
Specifically Assigned and Transmission Common (2019TY)**

	Total Transmission O&M		Specifically Assigned		Transmission Common	
	\$	%	\$	%	\$	%
Direct O&M Expense						
Transmission Lines	2,513,169	6.5	164,599	93.5	2,348,570	
Transmission Stations	3,273,652	10.2	334,620	89.8	2,939,032	
Other	1,748,576	7.9	138,455	92.1	1,610,121	
Total Directly Assigned O&M	7,535,397		637,674		6,897,724	
Total Administrative and General	7,215,484	7.9	571,331	92.1	6,644,151	