

VECC Interrogatory #21

1 **Ref: Exhibit 8/Tab 1/Schedule 2**

2

3 **Question**

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5 a. Please confirm that for purposes of the 2006 Updated Cost Allocation
6 Informational Filing:

- 7 • The Revenues are based on distribution rates (excluding the discounts for
8 transformer ownership allowance)
- 9 • The Costs include the cost of the Transformer Ownership Allowance
- 10 • The cost of the Transformer Ownership Allowance is allocated to all customer
11 classes

12

13 **Response**

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15 Confirmed.

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17 **Question**

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19 b. Please confirm that (per Exhibit 9, Tab 1, Schedule 3), WPI is proposing to
20 allocate the cost of the Transformer Ownership Allowance to just the GS>50
21 class.

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23 **Response**

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25 WPI is proposing to allocate the cost of the Transformer Ownership allowance to the
26 GS>50 kW class only.

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1 Question

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3 c. Please provide the results of an alternative cost allocation run which is consistent
4 with WPI's proposed treatment of the Transformer Ownership Allowance where:

5 • The Revenues by class are based the rates reduced by the transformer
6 ownership allowance where applicable

7 • The Costs allocated exclude the "cost" of the Transformer Ownership Allowance.

8 (Note: For purposes of the response please just file the revise Output Sheet O1)

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10 Response

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12 Based on the question, Westario Power has adjusted the distribution revenue on sheet
13 'I6-Customer Data' to reflect the amount of the transformer ownership allowance to the
14 class receiving the credit. In the 2006 EDR application (RP-2005-0020/EB-2005-0434)
15 the Transformer Ownership Allowance was applied to the General Service greater than
16 50 kW class only.

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18 The transformer allowance amount on sheet 'I3-TB Data' has been removed which
19 removes the allocated costs based on the cost allocation model design.

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21 The results are provided at Exhibit 10, Tab 3, Schedule 21, Attachment A.

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