FOLLOW-UP OF DECISION D-2002-95

ALLOCATION OF THE COST OF SERVICE SCENARIO

LIST OF THE TABLES

In its decision D-2002-95, while deciding on page 213 on the subject of the allocation of the costs between power, energy and subscription, the Régie requested the Transmitter:

> *"(…) to include, in the cost allocation study ordered in the present decision, the data necessary to examine, if necessary, the energy component to be applied to the cost of the departure stations and the connection lines to the power stations"*

Thus, in the case where the Régie still considered this relevant, the power and energy cost allocation could be based on the usage ratios (UR) of the transmission network, by excluding however the load profile from the Churchill Falls power station that is connected to the transmission network by interconnection (and not by these two sub-functions for the connection of power stations).

To establish the load use profile of the transmission network, it is necessary to combine the data sources available relating to the local load and point-to-point supply services. With regard to local load, the Distributor has data based on the readings of the meters which measure the consumption of the customers, by taking into account the loss ratios of the transmission and distribution networks. For the long term point-to-point service, consumption volumes are established based on a measurement at the level of the interconnections, reduced from the contractual data of short-term contracts, i.e. the GW hours to invoice, which are adjusted to take into account the loss ratios.

As an example, for the year 2005, the forecast consumption is 182 200 GWh for the local load and 2 461 GWh for the long term point-to-point service, which, when one subtracts the transmission of 29 934 GWh for the Churchill Falls power station, gives a result of 154 727 GWh. When considering anticipated power of 34 060 MW for the local load,

405 MW for the long term point-to-point service and of 5 096 MW for the Churchill Falls power station, the power to be considered is 29 370 MW, for a use ratio of approximately 60 %.

The Transmitter presents in the following pages all the data requested by the Régie that allows to carry out a power and energy cost allocation, as well as the scenarios that result from this.

Table 1 - 2001-2005 ENERGY AND POWER DEMANDS FOR THE LOCAL LOAD AND FOR POINT-TO-POINT SERVICES

(1)	(2)	(3)	(4)	(5)	(6)
History 2001	Local load including Churchill Falls	Churchill Falls	Local load excluding Churchill Falls	Long term Point-to-point service	Short term Point-to-point service
GWh	166 300 GWh	29 914 GWh	136 386 GWh	14 416 GWh	1 696 GWh
MW	32 211 MW	5 200 MW	27 011 MW	3 982 MW	------
FU	58,94%	65,67%	57,64%	41,33%	------

(1)	(2)	(3)	(4)	(5)	(6)
History 2002	Local load including Churchill Falls	Churchill Falls	Local load excluding Churchill Falls	Long term Point-to-point service	Short term Point-to-point service
GWh	171 300 GWh	32 538 GWh	138 762 GWh	13 997 GWh	2 522 GWh
MW	32 244 MW	5 182 MW	27 062 MW	3 035 MW	------
FU	60,65%	71,68%	58,53%	52,65%	------

(1)	(2)	(3)	(4)	(5)	(6)
History 2003	Local load including Churchill Falls	Churchill Falls	Local load excluding Churchill Falls	Long term Point-to-point service	Short term Point-to-point service
GWh	178 200 GWh	30 307 GWh	147 893 GWh	7 197 GWh	3 052 GWh
MW	33 735 MW	5 171 MW	28 564 MW	2 456 MW	------
FU	60,30%	66,91%	59,11%	33,45%	------

(1)	(2)	(3)	(4)	(5)	(6)
History 2004	Local load including Churchill Falls	Churchill Falls	Local load excluding Churchill Falls	Long term Point-to-point service	Short term Point-to-point service
GWh	176 600 GWh	29 638 GWh	146 962 GWh	2 189 GWh	GWh
MW	34 295 MW	5 514 MW	29 141 MW	405 MW	------
FU	58,78%	65,65%	57,57%	61,69%	------

(1)	(2)	(3)	(4)	(5)	(6)
Forecast 2005	Local load including Churchill Falls	Churchill Falls	Local load excluding Churchill Falls	Long term Point-to-point service	Short term Point-to-point service
GWh	182 200 GWh	29 934 GWh	152 266 GWh	2 461 GWh	9 363 GWh
MW	34 060 MW	5 096 MW	28 965 MW	405 MW	------
FU	60,07%	67,06%	60,01%	69,37%	------

Table 2 - 2001 Transmission Service Cost Allocation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Functions	**Allocation by function**						**Allocation by component**				**Allocation by service**					
	Specific allocation	JRC and CT	Support	Sub-total	Return on rate base	Total Cost of the service	% Energy	% Power	Energy	Power	% Local load	% Point-to-point	Allocation Factor†	Local load	Point-to-point	Total Cost of the service
Power Station Connections	**53,8**	**13,4**	**20,4**	**87,5**	**122,4**	**209,9**			**0**	**209,9**				**183,0**	**27,0**	**209,9**
Departure stations	45,5	10,7	16,4	72,6	98,4	171,0	0,00%	100,00%	0	171,0	87,15%	12,85%	A	149,0	22,0	171,0
Connection lines	8,3	2,6	4,0	14,9	24,0	38,9	0,00%	100,00%	0	38,9	87,15%	12,85%	A	33,9	5,0	38,9
Network	**526,4**	**108,2**	**164,9**	**799,5**	**990,3**	**1 789,8**			**0**	**1 789,8**				**1 592,9**	**196,9**	**1 789,8**
Very high voltage	361,9	73,4	111,9	547,1	671,8	1 218,9	0,00%	100,00%	0	1 218,9	89,00%	11,00%	B	1 084,8	134,1	1 218,9
450 kV	24,5	9,5	14,4	48,4	86,7	135,1	0,00%	100,00%	0	135,1	89,00%	11,00%	B	120,3	14,9	135,1
High voltage	140,0	25,3	38,6	203,9	231,9	435,8	0,00%	100,00%	0	435,8	89,00%	11,00%	B	387,9	47,9	435,8
Customer connections	**187,8**	**19,6**	**29,9**	**237,2**	**179,3**	**416,5**			**0**	**416,5**				**416,5**	**0,0**	**416,5**
Step-down stations	166,2	16,6	25,3	208,0	151,6	359,6	0,00%	100,00%	0	359,6	100,00%	0,00%	C	359,6	0,0	359,6
HV customer connections	21,6	3,0	4,6	29,2	27,6	56,8	0,00%	100,00%	0	56,8	100,00%	0,00%	C	56,8	0,0	56,8
Interconnections	**60,6**	**9,3**	**14,2**	**84,2**	**85,4**	**169,6**			**0**	**169,6**				**87,2**	**82,5**	**169,6**
Churchill Falls	14,7	2,4	3,6	20,8	21,9	42,6	0,00%	100,00%	0	42,6	89,00%	11,00%	B	37,9	4,7	42,6
Others	45,9	6,9	10,6	63,4	63,6	127,0	0,00%	100,00%	0	127,0	38,77%	61,23%	D	49,2	77,8	127,0
Total	**828,6**	**150,4**	**229,4**	**1 208,4**	**1 377,4**	**2 585,8**			**0**	**2 585,8**				**2 279,5**	**306,3**	**2 585,8**

† (A) Power portion excluding Churchill Falls: Local load = 27 011 MW, point-to-point Service LT = 3 982 MW.
(B) Power portion including Churchill Falls: Local load = 32 211 MW, point-to-point Service LT = 3 982 MW.
(C) Direct allocation to the local load
(D) Transmission capacity: Local load = Imports, point-to-point Service = Exports

Table 3 – 2002 Transmission service cost allocation

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Functions	**Allocation by function**						**Allocation by component**				**Allocation by service**					
		Specific allocation	JRC and CT	Support	Sub-total	Return on the rate base	Total Cost of the service	% Energy	% Power	Energy	Power	% Local load	% Point-to-point	Allocation Factor†	Local load	Point-to-point	Total Cost of the service
1	**Connections of the power stations**	**56,7**	**14,0**	**20,2**	**90,9**	**122,5**	**213,4**			**0**	**213,4**				**191,9**	**21,5**	**213,4**
2	Departure stations	48,2	11,3	16,3	75,8	98,9	174,7	0,00%	100,00%	0	174,7	89,92%	10,08%	A	157,1	17,6	174,7
3	Connection lines	8,5	2,7	3,9	15,1	23,6	38,7	0,00%	100,00%	0	38,7	89,92%	10,08%	A	34,8	3,9	38,7
4	**Network**	**538,8**	**111,7**	**161,8**	**812,3**	**980,2**	**1 792,5**			**0**	**1 792,5**				**1 638,3**	**154,2**	**1 792,5**
5	Very high voltage	374,0	75,3	109,1	558,4	661,0	1 219,5	0,00%	100,00%	0	1 219,5	91,40%	8,60%	B	1 114,6	104,9	1 219,5
6	450 kV	24,3	9,7	14,1	48,2	85,4	133,6	0,00%	100,00%	0	133,6	91,40%	8,60%	B	122,1	11,5	133,6
7	High voltage	140,5	26,6	38,6	205,7	233,7	439,4	0,00%	100,00%	0	439,4	91,40%	8,60%	B	401,6	37,8	439,4
8	**Customer connections**	**192,3**	**20,7**	**30,0**	**243,1**	**181,8**	**424,8**			**0**	**424,8**				**424,8**	**0,0**	**424,8**
9	Step-down stations	169,8	17,5	25,3	212,6	153,2	365,8	0,00%	100,00%	0	365,8	100,00%	0,00%	C	365,8	0,0	365,8
10	HV customer connections	22,5	3,3	4,7	30,5	28,5	59,0	0,00%	100,00%	0	59,0	100,00%	0,00%	C	59,0	0,0	59,0
11	**Interconnections**	**67,8**	**9,5**	**13,8**	**91,2**	**83,7**	**174,8**			**0**	**174,8**				**91,8**	**83,1**	**174,8**
12	Churchill Falls	14,9	2,4	3,5	20,9	21,2	42,1	0,00%	100,00%	0	42,1	91,40%	8,60%	B	38,5	3,6	42,1
13	Others	52,9	7,1	10,3	70,3	62,5	132,8	0,00%	100,00%	0	132,8	40,16%	59,84%	D	53,3	79,4	132,8
14	**Total**	**855,7**	**155,9**	**225,8**	**1 237,4**	**1 368,2**	**2 605,6**			**0**	**2 605,6**				**2 346,8**	**258,8**	**2 605,6**

† (A) Power portion excluding Churchill Falls: Local load = 27 062 MW, point-to-point Service LT = 3 035 MW.
(B) Power portion including Churchill Falls: Local load = 32 244 MW, point-to-point Service LT = 3 035 MW.
(C) Direct allocation to the local load
(D) Transmission capacity: Local load = Imports, point-to-point Service = Exports

Table 4 – 2003 Transmission service cost allocation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Functions	**Allocation by function**						**Allocation by component**				**Allocation by service**					
	Specific allocation	JRC and CT	Support	Sub-total	Return on rate base	Total Cost of the service	% Energy	% Power	Energy	Power	% Local Load	% Point-to-point	Allocation Factor †	Local load	Point-to-point	Total Cost of the service
1 **Connections of the power stations**	**64,5**	**16,6**	**26,4**	**107,5**	**128,5**	**236,0**			**0**	**236,0**				**217,3**	**18,7**	**236,0**
2 Departure stations	54,8	13,4	21,3	89,5	103,5	193,0	0,00%	100,00%	0	193,0	92,08%	7,92%	A	177,7	15,3	193,0
3 Connection lines	9,7	3,2	5,1	18,1	25,0	43,1	0,00%	100,00%	0	43,1	92,08%	7,92%	A	39,6	3,4	43,1
4 **Network**	**566,5**	**107,8**	**170,9**	**845,1**	**832,1**	**1 677,3**			**0**	**1 677,3**				**1 563,4**	**113,8**	**1 677,3**
5 Very high voltage	390,7	72,8	115,5	579,0	562,3	1 141,3	0,00%	100,00%	0	1 141,3	93,21%	6,79%	B	1 063,8	77,5	1 141,3
6 450 kV	24,5	9,0	14,3	47,9	69,7	117,6	0,00%	100,00%	0	117,6	93,21%	6,79%	B	109,6	8,0	117,6
7 High voltage	151,2	25,9	41,1	218,2	200,1	418,4	0,00%	100,00%	0	418,4	93,21%	6,79%	B	390,0	28,4	418,4
8 **Customer connections**	**197,0**	**19,7**	**31,3**	**248,0**	**152,3**	**400,3**			**0**	**400,3**				**400,3**	**0,0**	**400,3**
9 Step-down stations	176,9	16,7	26,5	220,1	129,1	349,2	0,00%	100,00%	0	349,2	100,00%	0,00%	C	349,2	0,0	349,2
10 HV customer connections	20,1	3,0	4,8	27,9	23,2	51,1	0,00%	100,00%	0	51,1	100,00%	0,00%	C	51,1	0,0	51,1
11 **Interconnections**	**68,4**	**8,8**	**14,0**	**91,2**	**68,1**	**159,2**			**0**	**159,2**				**83,9**	**75,3**	**159,2**
12 Churchill Falls	14,9	2,2	3,5	20,7	17,2	37,9	0,00%	100,00%	0	37,9	93,21%	6,79%	B	35,3	2,6	37,9
13 Others	53,5	6,6	10,4	70,5	50,8	121,3	0,00%	100,00%	0	121,3	40,04%	59,96%	D	48,6	72,8	121,3
14 **Total**	**896,4**	**152,9**	**242,5**	**1 291,8**	**1 181,0**	**2 472,8**			**0**	**2 472,8**				**2 264,9**	**207,9**	**2 472,8**

† (A) Power portion excluding Churchill Falls: Local load = 28 564 MW, point-to-point Service LT = 2 456 MW.
(B) Power portion including Churchill Falls: Local load = 33 735 MW, point-to-point Service LT = 2 456 MW.
(C) Direct allocation to the local load
(D) Transmission capacity: Local load = Imports, point-to-point Service = Exports

Table 5 – 2004 Transmission service cost allocation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Functions	**Allocation by function**						**Allocation by component**				**Allocation by service**					
	Specific allocation	JRC and CT	Support	Sub-total	Return on rate basis	Total Cost of the service	% Energy	% Power	Energy	Power	% Local Load	% Point-to-point	Allocation Factor †	Local load	Point-to-point	Total Cost of the service
1 **Connections of the power stations**	**79,3**	**18,1**	**30,1**	**127,5**	**116,1**	**243,6**			**0**	**243,6**				**240,3**	**3,3**	**243,6**
2 Departure stations	67,6	14,6	24,3	106,4	93,7	200,2	0,00%	100,00%	0	200,2	98,63%	1,37%	A	197,4	2,7	200,2
3 Connections lines	11,7	3,5	5,8	21,0	22,4	43,4	0,00%	100,00%	0	43,4	98,63%	1,37%	A	42,8	0,6	43,4
4 **Network**	**602,6**	**111,3**	**185,6**	**899,5**	**715,7**	**1 615,2**			**0**	**1 615,2**				**1 596,3**	**18,9**	**1 615,2**
5 Very high voltage	409,0	75,1	125,1	609,2	482,6	1 091,7	0,00%	100,00%	0	1 091,7	98,83%	1,17%	B	1 079,0	12,7	1 091,7
6 450 kV	26,4	9,2	15,4	51,0	59,3	110,3	0,00%	100,00%	0	110,3	98,83%	1,17%	B	109,0	1,3	110,3
7 High voltage	167,2	27,0	45,1	239,3	173,9	413,2	0,00%	100,00%	0	413,2	98,83%	1,17%	B	408,4	4,8	413,2
8 **Customer connections**	**206,8**	**20,6**	**34,4**	**261,8**	**132,6**	**394,5**			**0**	**394,5**				**394,5**	**0,0**	**394,5**
9 Step-down stations	183,8	17,5	29,2	230,6	112,8	343,4	0,00%	100,00%	0	343,4	100,00%	0,00%	C	343,4	0,0	343,4
10 HV customer connections	23,0	3,1	5,2	31,2	19,9	51,1	0,00%	100,00%	0	51,1	100,00%	0,00%	C	51,1	0,0	51,1
11 **Interconnections**	**82,5**	**9,3**	**15,6**	**107,4**	**60,0**	**167,4**			**0**	**167,4**				**88,6**	**78,8**	**167,4**
12 Churchill Falls	17,4	2,2	3,7	23,4	14,5	37,8	0,00%	100,00%	0	37,8	98,83%	1,17%	B	37,4	0,4	37,8
13 Others	65,1	7,1	11,8	84,0	45,6	129,6	0,00%	100,00%	0	129,6	39,52%	60,48%	D	51,2	78,4	129,6
14 **Total**	**971,1**	**159,4**	**265,7**	**1 396,2**	**1 024,5**	**2 420,7**			**0**	**2 420,7**				**2 319,7**	**101,0**	**2 420,7**

† (A) Power portion excluding Churchill Falls: Local load = 29 141 MW, point-to-point Service LT = 405 MW.
(B) Power portion including Churchill Falls: Local load = 34 295 MW, point-to-point Service LT = 405 MW.
(C) Direct allocation to the local load
(D) Transmission capacity: Local load = Imports, point-to-point Service = Exports

Table 6 - 2005 Transmission service cost allocation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Functions	**Allocation by function**						**Allocation by component**				**Allocation by service**					
	Specific allocation	JRC and CT	Support	Sub-total	Return on rate base	Total Cost of the service	% Energy	% Power	Energy	Power	% Local Load	% Point-to-point	Allocation Factor †	Local load	Point-to-point	Total Cost of the service
1 **Connections of the power stations**	**78,0**	**19,1**	**30,6**	**127,7**	**147,9**	**275,6**			**0**	**275,6**				**271,8**	**3,8**	**275,6**
2 Departure stations	66,2	15,4	24,6	106,2	119,0	225,3	0,00%	100,00%	0	225,3	98,62%	1,38%	A	222,2	3,1	225,3
3 Connection lines	11,7	3,7	6,0	21,4	28,8	50,3	0,00%	100,00%	0	50,3	98,62%	1,38%	A	49,6	0,7	50,3
4 **Network**	**596,4**	**109,4**	**174,8**	**880,6**	**845,3**	**1 725,9**			**0**	**1 725,9**				**1 705,6**	**20,3**	**1 725,9**
5 Very high voltage	409,6	74,0	118,2	601,9	571,9	1 173,7	0,00%	100,00%	0	1 173,7	98,82%	1,18%	B	1 159,9	13,8	1 173,7
6 450 kV	25,4	9,0	14,4	48,8	69,6	118,5	0,00%	100,00%	0	118,5	98,82%	1,18%	B	117,1	1,4	118,5
7 High voltage	161,3	26,4	42,1	229,8	203,8	433,7	0,00%	100,00%	0	433,7	98,82%	1,18%	B	428,6	5,1	433,7
8 **Customer connections**	**203,3**	**20,7**	**33,0**	**257,0**	**159,8**	**416,8**			**0**	**416,8**				**416,8**	**0,0**	**416,8**
9 Step-down stations	181,6	17,7	28,2	227,5	136,5	364,0	0,00%	100,00%	0	364,0	100,00%	0,00%	C	364,0	0,0	364,0
10 HV customer connections	21,6	3,0	4,8	29,5	13,3	52,7	0,00%	100,00%	0	52,7	100,00%	0,00%	C	52,7	0,0	52,7
11 **Interconnections**	**79,4**	**9,0**	**14,5**	**102,9**	**69,9**	**172,8**			**0**	**172,8**				**91,1**	**81,7**	**172,8**
12 Churchill Falls	16,2	2,2	3,4	21,8	16,6	38,4	0,00%	100,00%	0	38,4	98,82%	1,18%	B	37,9	0,5	38,4
13 Others	63,2	6,9	11,0	81,1	53,3	134,4	0,00%	100,00%	0	134,4	39,57%	60,43%	D	53,2	81,2	134,4
14 **Total**	**957,0**	**158,3**	**252,8**	**1 368,1**	**1 222,9**	**2 591,0**			**0**	**2 591,0**				**2 485,2**	**105,8**	**2 591,0**

† (A) Power portion excluding Churchill Falls: Local load = 28 965MW, point-to-point Service LT = 405 MW.
(B) Power portion including Churchill Falls: Local load = 34 060 MW, point-to-point Service LT = 405 MW.
(C) Direct allocation to the local load
(D) Transmission capacity: Local load = Imports, Point-to-point service = Exports