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###          HYDRO QUEBEC TRANSMISSION DATA PROCESING FOR ECONOMETRIC BENCHMARKING  
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```
# Date: February 2021
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```
# Author: Rebecca Kavan
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```
# Initialize environment
```

```
rm(list = ls())
```

```
# set width for output to prevent line wrapping
```

```
options(width = 120)
```

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```
### Define Paths
```

```
#####  
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```

```
dataPath = "[dir]/HQTDB (Confidential).xlsx"
```

```
pegDataOutPath = "[dir]/EconometricData_Transformed.xlsx"
```

```
funPath = "[dir]/SingleEqFUNs.R"
```

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```
### Load Packages and Functions
```

```
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```

```
require(foreign)
require(gtools)
require(dplyr)
require(openxlsx)
source(funPath)
```

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```
### Import Data and Prepare Dataset
```

```
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```

```
startyr = 2004
```

```
# Import the dataset
```

```
txcostdataraw = read.xlsx(dataPath)
```

```
names(txcostdataraw)[1] <- "snlid"
```

```
# Add trend variable
```

```
txcostdataraw$trend <- txcostdataraw$year - 1995
```

```
# Levelize costs
```

```
txcostdataraw$rtc <- txcostdataraw$c/txcostdataraw$wndxl
```

```
txcostdataraw$rck <- txcostdataraw$ck/txcostdataraw$wklvl
```

```
txcostdataraw$rcom <- txcostdataraw$com/txcostdataraw$womlvl
```

```
# Pull back values of construction standards index to earlier years
```

```

txcostdataraw <- txcostdataraw %>%
  group_by(snlid) %>%
  arrange(year) %>%
  mutate(load_tx = if_else(year < 2004, load_tx[year == 2004], load_tx))

txcostdataraw <- as.data.frame(txcostdataraw)

# Pull forward values of construction standards index to end of sample
txcostdataraw$load_tx[txcostdataraw$year > 2016 & txcostdataraw$snlid != 1] <-
txcostdataraw$load_tx[txcostdataraw$year == 2016 & txcostdataraw$snlid != 1]

# Extend forestation variable
txcostdataraw$pforgis1[txcostdataraw$year != 2007] <- txcostdataraw$pforgis1[txcostdataraw$year ==
2007]

# Pull back values of substations and mva to earlier years
txcostdataraw$nsub0919[txcostdataraw$year < 2009] <- txcostdataraw$nsub0919[txcostdataraw$year
== 2009]

txcostdataraw$mva0919[txcostdataraw$year < 2009] <- txcostdataraw$mva0919[txcostdataraw$year
== 2009]

# Add mva/nsub variable
txcostdataraw <- txcostdataraw %>%
  mutate(mva0919pernsub0919 = mva0919/nsub0919)

# Create moving substations per line mile variable
txcostdataraw <- txcostdataraw %>%
  group_by(snlid) %>%
  arrange(year) %>%
  mutate(nsub0919perym = nsub0919/ym)

```

```
txcostdata = as.data.frame(txcostdata)
```

```
# define dataset
```

```
txcostdata = txcostdata[which(txcostdata$exclude == 0 & txcostdata$year >= startyr),]
```

```
txcostdata = as.data.frame(txcostdata)
```

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```
### Demean and Log Appropriate Variables
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```
# Specify the variables to log only, and the variables to log and demean
```

```
varlist1 <- c("rtc",
```

```
          "rcom",
```

```
          "rck")
```

```
varlist2 <-
```

```
  c(
```

```
    "ym",
```

```
    "yptx",
```

```
    "load_tx",
```

```
    "pforgis1",
```

```
    "pctptx_peg",
```

```
    "pctpoh",
```

```
    "nsub0919",
```

```
    "mva0919",
```

```
    "mva0919pernsb0919",
```

```
    "nsub0919perym",
```

```
"rto"  
)  
ltxcostvarlist <- c(varlist1, varlist2)  
dtxcostvarlist <- c(varlist2)  
  
# Mean scale the appropriate variables in the data  
dtxcostout <-  
  meanscale(  
    fulldata = txcostdata,  
    varlist = dtxcostvarlist,  
    verbose = F,  
    incfc = F  
  )  
  
# Get the mean-scaled data from the output of the meanscale function  
dtxcostdata <- dtxcostout[[1]]  
  
# Get the variable means from the output of the meanscale function  
txcostmeans <- dtxcostout[[2]]  
  
# Log the appropriate variables in the data  
ldtxcostout <-  
  logvars(fulldata = dtxcostdata,  
    varlist = ltxcostvarlist,  
    verbose = F)  
  
# Get the logged and mean-scaled data from the output of the logvars function  
ldtxcostdata <- ldtxcostout[[1]]
```

```
# Get the information on when ln(1+x) was used instead of ln(x) due to zeroes
```

```
txcostinfo <- ldtxcostout[[2]]
```

```
# Define row names
```

```
row.names(ldtxcostdata) <- as.character(c(1:dim(ldtxcostdata)[1]))
```

```
# Create quadratic and interaction terms post-log treatment
```

```
ldtxcostdata$ym2 = ldtxcostdata$ym*ldtxcostdata$ym/2
```

```
ldtxcostdata$yptx2 = ldtxcostdata$yptx*ldtxcostdata$yptx/2
```

```
ldtxcostdata$ymyptx = ldtxcostdata$ym*ldtxcostdata$yptx
```

```
# Save transformed dataset
```

```
write.xlsx(ldtxcostdata, pegDataOutPath)
```