

1 **Q. Please indicate why only transformers of 50 KVA or less were used in the regression**
2 **analysis in the zero intercept analysis for transformers, Schedule 1, Appendix B,**
3 **Exhibit LBB-3.**
4

5 A. Only transformers of 50 KVA or less were used in the regression analysis in the zero
6 intercept analysis for transformers because the purpose of the study was to find out where
7 the regression line would cross the cost axis when load goes to zero. Clearly, this
8 intercept is closer to the vicinity where small transformers exist than the vicinity where
9 larger ones exist. While transformers larger than 50 KVA could be used, it was thought
10 their inclusion would make the regression less accurate in the zero load vicinity.