

1 Q. **Reference: (Reference May 3, 2019 report by Brattle Group, Inc entitled *Embedded and***  
2 ***Marginal Cost of Service Review*)**

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4 On Table 1, page 5 (Functionalization) the Brattle Group proposes the conduct of “*a general*  
5 *review of Hydro’s assets, which provide interconnection into the transmission system for*  
6 *possible refunctionalization as transmission*”. Does Hydro agree or disagree with this  
7 proposal? Please provide justification for your response and provide an indication of the  
8 impact of refunctionalizing interconnecting transmission as transmission on average rates  
9 for Island customer classes.

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12 A. Please refer to Newfoundland and Labrador Hydro’s (“Hydro”) response to PUB-NLH-036.  
13 Hydro does not agree with The Brattle Group, Inc.’s recommendation to functionalize  
14 interconnections as transmission. The customer impacts of modifying the functionalization  
15 of the transmission lines used to interconnect Hydro’s hydraulic generation to the  
16 transmission grid (i.e., from generation to transmission as recommended by The Brattle  
17 Group, Inc.) are provided in response to NP-NLH-001.