

1   **Q:**    Page 60 of the Brattle Group report notes that “*Hydro (at 18) believes that the*  
2           *benefits to all customers arising from the fuel cost savings that supported the pilot*  
3           *project implementation are not expected to continue upon commissioning of the*  
4           *Muskrat Falls Project. Hydro proposes to discontinue the generation credit*  
5           *agreement between Hydro and CBPP upon full commissioning of the Muskrat*  
6           *Falls Project. However, Hydro believes CBPP should have the opportunity to*  
7           *manage its generation as efficiently as possible and, to that end, proposes to work*  
8           *with CBPP in the rate design review planned for 2019 to develop a proposal to*  
9           *achieve this objective.*”

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11           The Brattle Group is asked to confirm that absent the Pilot Agreement, CBPP  
12           is effectively economically incented (by way of its supply contract with Hydro  
13           and rate design) to operate its hydro generation in a manner that would be  
14           inefficient, and to purchase excess quantities of power from Hydro (“non-  
15           firm” power) that would be unnecessary under a properly structured rate such  
16           as the one provided by the Pilot Agreement?

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18    **A.**    Please see our response to IC-PUB-002.