

1 Q. Reference: 2018 Cost of Service Methodology Review Report, p. 10 (21 pdf)

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3 Citation:

4 **3.3.2 Classification Recommendation – Muskrat Falls Project Power Purchases**

5 Hydro recommends the use of the equivalent peaker methodology for classification  
6 between demand and energy for the classification of power purchase costs  
7 resulting from the Muskrat Falls Project. CA Energy Consulting recommended the  
8 equivalent peaker approach rather than the other traditional cost of service  
9 classification approaches.

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11 Preamble:

12 In Section II.D.2.a of the Brattle Group report prepared for the Board (pages 27-37,  
13 pages 31-41 pdf), the Brattle Group recommends that Hydro use the system load  
14 factor approach instead. It also raises concerns about the inclusion of the LIL and  
15 LTA cost in the equivalent peaker calculations.

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17 How does Hydro respond to the points made in this section by the Brattle Group?

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20 A. Please refer to Newfoundland and Labrador Hydro's responses to PUB-NLH-037 and  
21 PUB-NLH-034.