

1 **Q: Reference: “Embedded and Marginal Cost of Service Review,” The Brattle**
2 **Group, May 3, 2019, Exhibit II at pp. 18-19**

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4 **Does The Brattle Group agree that the Labrador Transmission Assets facilities**
5 **connecting Churchill Falls generation and Muskrat Falls generation are being**
6 **constructed to maximize generation output on a consistent basis from the**
7 **Muskrat Falls generation facilities? If yes, please explain how functionalizing**
8 **the Labrador Transmission Assets facilities as 100% transmission and**
9 **classifying the assets as 100% demand-related is consistent with a cost-**
10 **causality approach to cost allocation.**

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12 **A.** Yes. Please see our response to NP-PUB-001 for a discussion on the classification
13 of the LIL and LTA. We note that maximizing generation output is precisely a
14 capacity measure and therefore consistent with our functionalization of the
15 Labrador Transmission Assets facilities connecting Churchill Falls generation and
16 Muskrat Falls as transmission and the classification of the assets as demand.