

1 **Q: Reference: "Embedded and Marginal Cost of Service Review," The Brattle**
2 **Group, May 3, 2019, Exhibit II at p. 32/14-17**

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4 **Given the Muskrat Falls project's unusual attributes relative to existing supply**
5 **sources (i.e., scale, contractual obligation to the Island, potentially different**
6 **manner of operation due to export obligations, etc.), why should the use of**
7 **system load factor for classifying previous generation projects' costs carry**
8 **weight in determining how to classify the Muskrat Falls project?**

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10 **A.** The plant will operate as a hydroelectric facility with its primary obligations to meet
11 the needs of the Island. As such, it does not materially differ from Hydro's other
12 hydroelectric facilities. The other issues in the question have import in respect of
13 additional revenues it may receive to offset the plant's cost to Hydro's Island
14 customers, but are not material to the allocation question.