

1 **Q: Reference: “Embedded and Marginal Cost of Service Review,” The Brattle**
2 **Group, May 3, 2019, Exhibit II at pp. 36/16 to 37/5**

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4 **In The Brattle Group’s reference to the Muskrat Falls power purchase**
5 **agreement, is The Brattle Group positing that a payment by Newfoundland**
6 **and Labrador Hydro for Muskrat Falls in ongoing lump sums is determinative**
7 **of a need for demand-based classification in preference to energy based? If so,**
8 **why should system load factor be preferred to a demand-only classification**
9 **scheme?**

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11 **A.** While it is not determinative, we believe it is a factor to consider. Another factor is
12 consistency and stability of methodologies applied to similar facilities.