

1 Q. The Newfoundland and Labrador System Operator (NLSO), Methodology for the
2 Development of Rates for Transmission Service (the “Methodology”) was approved by
3 the Board in Order No. P.U. 3(2018). At Page 19, Lines 21-23, the Methodology states:

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5 *“The important issues arising from the functional allocation is to determine the level of*
6 *costs to be collected through each component of the transmission. This allocation is more*
7 *often influenced by provincial regulation rather than market forces or FERC.”*

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9 Has provincial regulation influenced the functional allocation of Hydro’s transmission costs
10 as presented in this proceeding? If so, how?

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13 A. No, provincial regulations have not influenced the proposed functionalization of the costs
14 of Newfoundland and Labrador Hydro’s transmission assets presented in this proceeding.
15 Please refer to Newfoundland and Labrador Hydro’s response to NP-NLH-006.