

1 Q. **Reference: 2018 Cost of Service Methodology Review Report, page 8, lines 1-5**

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3 Hydro proposes no changes in the functionalization of transmission lines, other than TL-234
4 and TL-263. The Brattle Group in its report at page 19, lines 18-19 recommends that TL-247
5 and TL-243 be functionalized as transmission, not generation as they currently are. Explain
6 in detail whether (i) Hydro and (ii) CA Energy agree with Brattle’s recommendation in this
7 regard.

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10 A. **(i) Newfoundland and Labrador Hydro’s Response**

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12 Newfoundland and Labrador Hydro (“Hydro”) does not agree with The Brattle Group,
13 Inc.’s recommendation to functionalize TL 247 and TL 243 as transmission. TL 247
14 connects the remotely located Cat Arm Generating Station to the main transmission
15 system. TL 243 connects the remotely located Hinds Lake Hydroelectric Generating
16 Station to the main transmission system. It is Hydro’s opinion that both TL 247 and TL
17 243 should be functionalized as hydraulic generation. This functionalization is
18 consistent with the Board of Commissioner of Public Utilities’ 1993 Proposed Cost of
19 Service Methodology,¹ which states on page 44:

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Recommendation 15:

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That transmission lines and substations in the Island Interconnected
System used solely or dominantly for the purpose of connecting
remotely-located generation to the main transmission system be
classified in the same manner as the generating stations they serve.

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Hydro did not request that Christensen Associates Energy Consulting (“CA Energy
28 Consulting”) review the functionalization of TL 247 and TL 243.

¹“A Referral By Newfoundland and Labrador Hydro for The Proposed Cost of Service Methodology and a Proposed Method for Adjusting its Rate Stabilization Plan to Take Into Account the Variation in Hydro’s Rural Revenues Resulting from Variations in the Rates Set by the Board to be Charged by Newfoundland Light & Power Co. Limited to its Customers,” Board of Commissioners of Public Utilities, February 1993, p. 44.

1 **(ii) Christensen Associates Energy Consulting's Response**

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3 Hydro's and CA Energy Consulting's original reports make no mention of TL-247 and
4 243. CA Energy Consulting would need to review the purpose of these lines individually,
5 before drawing a conclusion as to their functionalization.