

1 Q. **Reference: The Brattle Group Report, page 20, lines 1-8**

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3 Brattle recommends that there be a review of Hydro's assets which provide  
4 interconnection with the transmission system to determine if any need to be  
5 refunctionalized. Explain in detail whether (i) Hydro and (ii) CA Energy agree with this  
6 recommendation.

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9 A. **(i) Newfoundland and Labrador Hydro's Response:**

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11 Newfoundland and Labrador Hydro ("Hydro") does not agree with this  
12 recommendation of The Brattle Group. Hydro's functionalization of assets which  
13 provide interconnection to the transmission system reflects the Board of  
14 Commissioners of Public Utilities' (the "Board") Cost of Service Methodology  
15 recommendations. However, if the Board changes the functionalization requirements  
16 for interconnection assets, Hydro will revise the asset functionalizations as necessary.

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18 **(ii) Christensen Associates Energy Consulting's Response:**

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20 CA Energy Consulting does not agree with Brattle's recommendation that Hydro be  
21 required to conduct a general review of its approach to functionalizing interconnection  
22 assets unless the PUB agrees with the Brattle recommendations regarding the  
23 functionalization of Hydro's general leads. If forced to classify these as transmission,  
24 according to criteria suggested by Brattle, then a general review of interconnection  
25 assets for the purpose of establishing uniform functionalization methodology might be  
26 appropriate.