

1 Q. **Reference page 8, lines 15-16, *Network Additions Policy Review***

2 Confirm that the beneficiary pays method would, all else equal, result in less of the transmission
3 revenue requirement being assigned as common. If not, please explain why not.

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6 A. As detailed in Newfoundland and Labrador Hydro's ("Hydro") response to NP-NLH-036 of this
7 proceeding, Hydro recommended that under the beneficiary pays approach, as Upstream
8 Capacity Charges will be applied to reduce the rate base related to common transmission assets,
9 the revenue requirement related to common transmission assets would be lower than the
10 revenue requirement under the current approach in which contributions are not required for
11 common transmission investment.