

1 Q. **Reference: May 3, 2019 report by Brattle Group, Inc entitled *Embedded and Marginal***
2 ***Cost of Service Review***

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4 On Table 1, page 6 (Classification) the Brattle Group proposes that Holyrood Unit 3
5 operating and incremental capital costs be classified as energy, and original capital costs
6 and depreciation be classified as demand. Does Hydro agree or disagree with this proposed
7 modification? Please provide justification for your response and provide an indication of
8 the impact of this proposal on average rates for Island customer classes.

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11 A. Newfoundland and Labrador Hydro (“Hydro”) does not agree with The Brattle Group, Inc.’s
12 proposals associated with the classification of Holyrood Thermal Generating Station Unit 3
13 operating and incremental capital costs. Please refer to Hydro’s response to PUB-NLH-038
14 for Hydro’s justification.