

1 **Q:** (Reference May 3, 2019 report by Brattle Group, Inc entitled *Embedded and*  
2 *Marginal Cost of Service Review*) **Does transmission provide energy benefits as**  
3 **well as demand benefits? If so, how should these energy benefits be accounted**  
4 **for in a cost of service study? Is the Brattle Group aware of any jurisdictions**  
5 **that classify a portion of transmission costs as energy related?**  
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7 **A.** With regard to the question of energy benefits of transmission and how they should  
8 be accounted for in a cost of service study, please see response to NP-PUB-001.  
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10 Brattle knows of no jurisdiction where all transmission costs are classified as  
11 energy and the vast majority of jurisdictions use a demand allocator for  
12 transmission costs for the reasons stated in NP-PUB-001. Brattle is aware of  
13 jurisdictions that have classified a portion of their generator interconnection costs  
14 as generation-related. In those instances, the allocator for generation is sometimes  
15 also used for the transmission interconnection. Thus, in those cases where the  
16 classification for generation and transmission are the same, if the generation costs  
17 have been separated into a demand and energy component using an allocator such  
18 as average and excess demand or system load factor, those generation  
19 interconnections will be similarly classified between demand and energy. Since  
20 FERC Orders 2000 and 734, which located transmission greater than 100kV within  
21 the bulk power system, even that practice has been largely superseded by the use  
22 of demand allocators.