

1 **Q:** Paragraph 3(b)(i) of the *Electrical Power Control Act, 1994* provides

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3 **3. It is declared to be the policy of the province that**

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5 **(b) all sources and facilities for the production, transmission and distribution**
6 **of power in the province should be managed and operated in a manner**

7
8 **(i) that would result in the most efficient production, transmission and**
9 **distribution of power,**

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11 **Please provide the Brattle Group's understanding of the extent to which a**
12 **poorly designed rate for CBPP could result in incentives for CBPP to use its**
13 **hydraulic generation in an inefficient manner, i.e. to avoid monthly peaks**
14 **when instead a greater quantity of renewable energy could have been**
15 **generated if CBPP was incented to dispatch their generation differently.**
16 **Please confirm whether the Brattle Group did or did not review the extent to**
17 **which the current CBPP supply contract (absent the Pilot Agreement) may in**
18 **fact incent this precise inefficient behavior. If the Brattle Group did review the**
19 **CBPP supply contract/rate design, please provide the Brattle Group's**
20 **comments on this issue.**

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22 **A.** The Brattle Group report is on the topic of cost of service methodology. Rate design
23 and the impact on incentives and consumer behavior of any specific rate was not a
24 topic that we discussed in our report.