

1 Q. **Reference: 2018 Cost of Service Methodology Review Report, p. 7 (18 pdf)**

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3 Citation:

4 **3.1 Systemization**

5 Hydro proposes to maintain separate cost of service studies for the Labrador  
6 Interconnected System and the Island Interconnected System for use in  
7 determining customer rates. This approach is consistent with the Government  
8 direction exempting customers on the Labrador Interconnected System from  
9 paying costs related to the Muskrat Falls Project.

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11 a) In this section, Hydro does not make explicit reference to Section 2 of the Christensen  
12 Associates Energy Consulting (“CAES”) study presented as Appendix A of the filing  
13 (pages 6-9, pages 62-65 pdf), which makes a similar recommendation. Does Hydro  
14 adopt all of the reasoning set out by CAES in this section?

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16 Preamble:

17 In Section II.B of the Brattle Group report prepared for the Board (pages 12-  
18 14, pages 16-18 pdf), the Brattle Group recommends that Hydro “plan for and  
19 prepare a single integrated system for COS purposes in future GRA proceedings”.

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21 b) How does Hydro respond to the points made in this section by the Brattle Group?

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24 A. a) Please refer to response PUB-NLH-033.

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26 b) Please refer to response PUB-NLH-033.