

1 Q. **Reference: 2018 Cost of Service Methodology Review Report, Appendix A, Cost of Service**  
2 **Methodology Review, Christensen Associates Energy Consulting (CAEC), Nov. 15, 2018,**  
3 **page 15 (71 pdf)**

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5 Citation:

6 One implication of the substitution of Muskrat Falls for Holyrood generation under  
7 the assumption of SLF classification is that the demand composition of generation  
8 revenue requirements may rise substantially. This change may or may not  
9 reasonably represent the change in cost causality due to the substitution of  
10 Muskrat Falls for Holyrood but it would likely shift the cost burden in the direction  
11 of peak-coincident classes or customers.

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13 Preamble:

14 In Section II.D.2.a of the Brattle Group report prepared for the Board (pages 27-37,  
15 pages 31-41 pdf), the Brattle Group recommends that Hydro use the system load  
16 factor approach instead.

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18 How does CAEC respond to the arguments presented by the Brattle Group in support of the  
19 use of the system load factor approach?

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22 A. This response has been provided by Christensen Associates Energy Consulting.

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24 Please reference our response in PUB-NLH-037.