

1 **Q: Reference: “Embedded and Marginal Cost of Service Review,” The Brattle**
2 **Group, May 3, 2019, Exhibit II at p. 44/2-9**

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4 **Given that the fuel component of Newfoundland and Labrador Hydro’s gas**
5 **turbine units is related to their peaking function, please explain why The**
6 **Brattle Group disagrees with Newfoundland and Labrador Hydro's practice**
7 **of treating gas turbine and diesel fuel costs on the Island Interconnected**
8 **System as a demand-related cost.**

9
10 A. The amount of energy produced and, hence, the amount and cost of fuel consumed
11 to produce that energy, is energy-related not demand-related.