

1 Q. Newfoundland and Labrador Hydro Cost of Service Methodology Review
2 Application, Pre-Filed Testimony of Andrew McLaren, August 5, 2019, Page
3 19, Lines 2-3.

4 *“It is reasonable to evaluate the appropriate classification for the Muskrat Falls*
5 *Generation, LIL and LTA separately, given the different characteristics of each*
6 *group of assets.”*

7 Does InterGroup agree that all of the Muskrat Falls Project assets (Muskrat
8 Falls Generation, LIL, LTA) are required to operate together to achieve the
9 intended purpose of the Muskrat Falls Project? If not, please explain how the
10 Muskrat Falls Project can achieve its intended purpose without the operation
11 of all 3 of the listed assets.

12 A. The function of an integrated power system is such that all assets must work
13 together - generation, transmission, distribution and all necessary reliability
14 measures. There is nothing special or unique about the Muskrat Falls projects
15 listed that make them separate and apart from all system assets required to ensure
16 the delivery of reliable capacity and energy to all customers and export markets.

17 However, this does not preclude different treatments in Cost of Service for the
18 integrated power system assets, depending on how the assets are planned and
19 used, what services the assets in particular provide, and what load characteristics
20 drive investment (or further future investment).