

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 17-19.

4 *“It seems likely the Board’s previously expressed concerns will be an issue in*  
5 *subsequent COS studies if the equivalent peaker method is adopted.”*

6 Is it InterGroup’s view that the Board would be required to continually revisit  
7 the equivalent peaker estimates for Muskrat Falls in subsequent cost of service  
8 studies? If so, why?

9 A. The Board would be required to reassess Cost of Service assumptions such as  
10 equivalent peaker estimates in future cost of service studies because that is the  
11 basis of keeping an up-to-date analysis that is relevant to ongoing system trends.  
12 The purpose of cost of service is to reflect the ongoing cost implications of how the  
13 system is planned and operated, and as system constraints, loads, plans, and uses  
14 change the cost of service study should reflect that. Fixing that decision in place  
15 at a single point in time would not reflect ongoing changes in system configuration  
16 and operation in the future.

17 A system load factor approach is appropriately responsive to the ongoing changes  
18 that the system is seeing on the load and planning side.