

1 Q: Reference: Embedded and Marginal Cost of Service Review, May 3, 2019  
2 prepared by The Brattle Group, Inc., Page 8, Lines 30-31.

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4 *“Concerning the LIL and LTA, we recommend classifying these assets as*  
5 *demand related;...”*

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7 **In the Manitoba Public Utilities Board’s Order No. 164/16 Order in Respect of**  
8 **a Review of Manitoba Hydro’s Cost of Service Study Methodology, the Manitoba**  
9 **Board decided to functionalize the transmission lines (Bipole I, II, and III)**  
10 **connecting “northern generation with southern load centres, acting as**  
11 **extensions of the northern generating stations” as generation and to classify**  
12 **these transmission assets as both demand and energy. What impact, if any, has**  
13 **this decision had on Manitoba Hydro’s ability to export power into the United**  
14 **States?**

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16 A. Brattle has not examined Manitoba Hydro’s ability to export power into the United  
17 States nor how the decision affects that ability. See also our response to NLH-  
18 PUB-007. Other Canadian utilities differ from Manitoba Hydro in their  
19 functionalization of transmission. Our understanding, for example, is that Hydro-  
20 Québec functionalizes all of its lines above 44kV as transmission, and its very long  
21 lines from both Hudson Bay and Churchill Falls are functionalized as transmission.  
22 We understand that generally transmission connecting generation to load is  
23 similarly functionalized by SaskPower, the AESO in Alberta, and the Ontario  
24 system.