

- 1 **Q. Reference Prefiled Evidence of Larry Brockman, page 24, footnote 66:**
2 (i) **Does Mr. Brockman agree with the Manitoba Public Utilities Board that cost**
3 **causation takes into consideration both how an asset is planned and how that**
4 **asset is used?**
5 (ii) **If no, please explain.**
6 (iii) **If yes, please elaborate on how cost causation takes into consideration how an**
7 **asset is used, using the LIL and LTA as the asset in question.**
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- 9 A. (i) Mr. Brockman believes that if cost causation is correctly deduced at the planning
10 stage, the predominant usage of the facility will follow the plan. In that regard,
11 cost causation takes into consideration how an asset is planned.
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13 There may be instances where modification of the cost of service treatment of an
14 asset is warranted when the predominant usage of the asset changes. For
15 example, where a radial transmission line functionalized as a generator lead
16 becomes part of a looped transmission network, it may be appropriate to modify
17 the cost of service treatment based on the change in the causality of the facility's
18 costs into the future.
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- 20 (ii) See the response in (i) above.
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- 22 (iii) Mr. Brockman's opinion as to the appropriate functionalization and classification
23 of the LIL and LTA is based on his understanding of the predominant purpose of
24 those lines as an integral part of the Muskrat Falls Project. If that predominant
25 purpose changes in the future, Mr. Brockman believes it may be appropriate to
26 consider modifications to how they are functionalized and/or classified.