

1 **Q: Re: Brattle Group Report, page 37.**

2  
3 **Citation:**

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5 **4. For customers that select Option A, these customers paying for**  
6 **network upgrades should be eligible for additional refunds as**  
7 **additional customers join the system over a pre-determined time**  
8 **horizon. This permits sharing among new customers of network**  
9 **upgrade costs. (underlining added)**

10  
11 **Please elaborate on the proposed treatment of refunds in relation to additional**  
12 **customers that join the system over a pre-determined time horizon. In**  
13 **particular:**

- 14  
15 a) **Does the term “additional customers” in the citation refer specifically to**  
16 **new customers that rely directly upon the network upgrade, or to all new**  
17 **customers? If the former, please explain how it is proposed to determine**  
18 **which elements of the network upgrade are relied upon by which new**  
19 **customer. If the latter, is the Brattle Group proposing that customers that**  
20 **required a network upgrade in Labrador West obtain refunds from new**  
21 **customers based on Labrador East, and vice versa? If not, please explain**  
22 **how the proposed system would function.**
- 23  
24 b) **Is the Brattle Group proposing that the “additional customers” also be**  
25 **required to make capital contributions to the cost of prior network**  
26 **upgrades without which it would not have been possible to provide service**  
27 **to them? Or is it simply proposing that the customer that funded the**  
28 **network upgrade obtain refunds based on the regular transmission tariffs**  
29 **paid by the new customers? Please explain.**

- 30  
31 A. a) **It refers to new customers that rely directly upon the network upgrade. Please**  
32 **refer to the response in LAB-PUB-009, part c.**
- 33  
34 b) **Brattle is proposing that additional customers also be required to make capital**  
35 **contributions to the cost of the prior network upgrades without which it would**  
36 **not have been possible to provide service to them. The remaining net book value**  
37 **of the network upgrade would be allocated among the additional customers and**  
38 **the original customer in proportion to peak demand. Please also refer to the**  
39 **response to LAB-PUB-009 part c.**