

1 Q. (Reference 2017 GRA Volume I, page 1.11) Hydro states “*Setting customer rates for*  
2 *2018 and 2019 such that the potential net savings derived from the use of*  
3 *transmission assets are deferred to mitigate the full Muskrat Falls Project costs is*  
4 *consistent with the principle of intergenerational equity.*” Please explain Hydro’s  
5 understanding of intergenerational equity as it applies in this instance.

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8 A. Hydro’s proposed approach is consistent with intergenerational equity in that the  
9 future customers responsible for the recovery of the Muskrat Falls Project costs will  
10 receive the benefit from any savings that can be achieved through early use of the  
11 Labrador-Island Link and the Labrador Transmission Assets components of the  
12 Muskrat Falls Project.