

1 Q. **Reference: John T. Browne Evidence, Page 14**

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3 JT Browne evidence indicates that *“It would be contrary to the principle of*
4 *intergenerational equity to pass on to customers of one period benefits included in*
5 *the Pre-commissioning Net Benefits, while a significant amount of the associated*
6 *costs were borne by customers of a later period.”*

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8 Hydro is proposing that current customers pay rates based upon relatively high cost
9 production at Holyrood in circumstances where relatively low cost power from
10 existing facilities is actually consumed by those customers. This difference in cost is
11 then deferred for the benefit of future customers. Please explain in detail how this
12 does not effectively violate the principle of intergenerational equity by requiring
13 current customers to subsidize future customers.

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16 A. This response has been provided by JT Browne Consulting.

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18 As noted on page 14 of Mr. Browne’s evidence:

19 *It would be contrary to the principle of intergenerational equity to pass on*
20 *to customers of one period benefits included in the Pre-commissioning*
21 *Net Benefits, while a significant amount of the associated costs were*
22 *borne by customers of a later period.*