

1 Q. Appendix A, page 12: Please explain what is meant by "internal charges" for Hydro's
2 capacity costs. How are these calculated?

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5 A. This response has been provided by Christensen Associates Energy Consulting.

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7 The relevant language reads "Internal capacity costs" and "annual charges",
8 which refers to estimates of the all-in costs associated with incremental capacity,
9 as incurred by Hydro. The methodology used to obtain annual capacity charges
10 are discussed in section 3.3.2, page 17-21, and displayed on page 20 within
11 Figure 7 of the Marginal Cost Study update filed with the Board on November 15,
12 2018.