

1 **Q. Reference Prefiled Evidence of Larry Brockman, page 12, lines 6-7:**

- 2 (i) **Is it Mr. Brockman's position that any classification method that is not**
3 **directly related to the cost of the mix of generation upon which generation**
4 **planning decisions are made is inferior to the equivalent peaker method?**
5 (ii) **In Mr. Brockman's opinion, when would a classification method that is not**
6 **directly related to the cost of the mix of generation upon which generation**
7 **planning decisions are made be appropriate?**
8

9 A. (i) No. It is Mr. Brockman's position that any classification method that is not
10 directly related to the cost of the mix of generation upon which generation
11 planning decisions are made is inferior to the equivalent peaker method *in*
12 *relation to the accurate reflection of cost causality.*
13

- 14 (ii) It is Mr. Brockman's opinion that a classification method not directly related to
15 the cost of the mix of generation upon which generation planning decisions are
16 made may be appropriate in circumstances where it is determined that other
17 factors, such as ease of use, understandability, or freedom from controversy
18 outweigh the strong cost-causation roots of the equivalent peaker method.
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20 Such a determination was made by this Board in the 1992 generic cost of service
21 proceeding. As noted in Mr. Brockman's prefiled evidence, he accepts that the
22 Board's concerns with respect to the application of the equivalent peaker method
23 stated at that time remain valid with respect to Hydro's older generation assets.¹
24 For that reason, Mr. Brockman agrees with Hydro's proposal to continue to
25 classify existing hydraulic assets using system load factor.

¹ See *Prefiled Evidence of Larry Brockman*, page 14, line 18 to page 15, line 3.