

NLH-197 PUB (Re: Page 10, lines 10-19)

Dr. Waverman discusses the need to balance the interests of ratepayers and owners. Is there any economic basis for reducing the return that can be earned on some assets in cases where part of the cost of those assets are paid by a different ratepayer than the ratepayer served by those assets (i.e. in cases of cross-subsidization of rates)?

A. I have not investigated this question.