

1 Q. (Expert Evidence – JT Browne Consulting, page 13) If Hydro were to submit a 2019
2 test year cost of service study based on its best estimate of costs including off-
3 island purchases, and cover off uncertainties that are mentioned in the report with
4 a deferral account, would this meet the Supreme Court’s cost of service standard,
5 provide Hydro with the protections it needs with respect to the uncertainties
6 brought on by off-island purchases, and be consistent with established regulatory
7 principles?

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

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12 No. As long as the Consumer Advocate’s proposal would provide Hydro with an
13 opportunity to recover its costs of providing service – no more and no less, it would
14 be consistent with the cost of service standard. However, it would be inconsistent
15 with the principle of intergenerational equity as explained in Mr. Browne’s evidence
16 (page 14).