

1 Q. Did Mr. Browne review Hydro’s existing deferral accounts such as the Rate  
2 Stabilization Plan and the Energy Supply Costs Deferral Account to consider  
3 whether it would be appropriate to use these existing deferral accounts (with any  
4 required amendments) to account for the uncertainties in determining the savings  
5 from off-island purchases that are described by Mr. Browne?  
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8 A. This response has been provided by JT Browne Consulting.  
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10 Mr. Browne’s review was at a very high level. Although it reflected his past  
11 experience, it was based primarily on information provided by Hydro.  
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13 Based on the information provided to Mr. Browne by Hydro, the use of a separate  
14 account allows for greater transparency and flexibility in the disposition of the Off-  
15 Island Purchases Deferral Account. More importantly, it is Mr. Browne’s  
16 understanding that the existing accounts that might otherwise be appropriate could  
17 have some of the Off-Island Purchases Deferral Account amortized prior to the  
18 commissioning of the Muskrat Falls Project. As explained in Mr. Browne’s evidence  
19 (page 14), this would be inconsistent with the principle of intergenerational equity.