

1 Q. Page 12, last paragraph. Mr. Browne states that where deferral accounts are used,
2 the amounts deferred are largely outside the control of the utility. On page 4 Mr.
3 Browne states that the actual net savings could vary significantly from estimates
4 due to factors outside Hydro's control, including the completion date of the LIL and
5 LTA, the availability of recapture power, the amount of pre-commissioning power
6 from MFGF, the charges from LIL Opco, the amount of fuel savings and the cost of
7 fuel. What weight should the Board, in Mr. Browne's opinion, give to the fact that a
8 number of these factors are within the control of Hydro's parent company or a
9 subsidiary of that parent company?

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

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14 Mr. Browne's evidence is based on the assumption that Hydro is regulated on a
15 standalone basis. As a result, no weight should be given to factors that are within
16 the control of Hydro's parent company or a subsidiary of that parent company
17 other than Hydro.