

1 **Q. Please provide Mr. Bowman's assessment from a fairness perspective on the**
2 **position of Mr. Brockman with respect to the Rural Deficit allocation.**
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A. Mr. Doug Bowman is not swayed by Mr. Brockman's argument. While recognizing that there can be different interpretations of "fairness", the current allocation methodology, the unit cost method supported by Mr. Brockman, results in a revenue to cost ratio of 142% for Labrador Interconnected Customers versus 112% for NP, and a customer impact of \$653.15 for each Labrador Interconnected Customer and \$216.54 for each Newfoundland Power Customer. Judgment must obviously play a part, and in Mr. Doug Bowman's view, the current methodology does not meet the fairness objective in 2015. Neither is Mr. Doug Bowman swayed by Mr. Brockman's argument that no action should be taken at this time because impending changes are on the horizon. We are unable to anticipate the outcome of upcoming studies on marginal costs, cost of service and rate design, and evidence has not been filed to suggest that either the proposed or the current methodology will not make sense in the future.