

1 **Q: Does Mr. Raphals believe that interconnected system customers located closer to**
2 **Holyrood should pay higher rates than customers located next to a hydraulic power**
3 **source? Please explain your reasoning in detail.**

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5 A: The view of Mr Raphals is as follows:

6 Assuming that the hypothetical hydraulic power source is part of the same integrated grid as
7 Holyrood, with unified system planning and dispatch and with no other significant differences
8 between the customer groups, the mere fact of a customer's geographical distance from one
9 power plant or the other would not normally justify a price differential.

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