

1 Q. Please explain in full Mr. Greneman's view of whether it is fair to burden certain
2 classes of customers with higher subsidy costs simply because they have higher
3 rates to start with.

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6 A. In considering whether it is fair to burden certain classes with higher subsidy costs
7 simply because they have higher rates to start with, Mr. Greneman notes that it is
8 perhaps more unfair to burden Labrador Interconnected customers with higher
9 costs simply because they live in a colder climate. Hydro's proposed methodology,
10 which assigns costs proportional to revenue requirement, is seen as the most
11 preferable method.