

VECC INTERROGATORY #19

INTERROGATORY

Reference: The Report, page 7, lines 13-14

Preamble: “this observation is true but irrelevant from the public interest and efficiency perspectives”

- a) Is it the position of the Report’s author that cost (and rate) impacts on customers and sub-sets of customers are irrelevant when determining whether a particular policy is in the “public interest”? Please explain your response.

RESPONSE

The quoted statement in the Report is based on the view that there are no customers that have greater rights to the efficiencies that may result from growth than others.

It is equally logical to argue that the customers of a prospective alternate supplier are harmed if the alternate supplier does not benefit from the growth of adding a subdivision, for example, as it is to argue that customers of the incumbent are harmed by not benefiting from that growth. The two potential “harms” cancel out. However, the overall societal benefit of serving all new customers at the lowest incremental cost is clear.