

1 Q. **Re: Cost of Service Study, Exhibit 9, page 22 and Appendix 2, page A2-1**

2 The Appendix states: "Costs associated with Labrador Interconnected
3 customers will not be included for recovery, as programs for this system are
4 based upon a cost structure which is significantly different from the other
5 systems, and energy savings result in more energy being available for non-
6 regulated sales."

7 Please explain whether this sentence refers to costs incurred to provide CDM
8 programs to Labrador Interconnected customers, or to costs resulting from CDM
9 services in other systems which would normally be applied to Labrador
10 Interconnected customers.

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13 A. The sentence applies to costs incurred to provide CDM programs to Labrador
14 Interconnected customers.