

1 Q. **Reference: Application, Chapter 6, page 6.22**

2 Hydro states “*Specifically assigned charges recover costs incurred for assets that are in service*
3 *solely for each Island Industrial Customer.*” Does Hydro follow a similar approach for
4 Newfoundland Powers connection assets?

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7 A. Yes; costs incurred for assets that are in service solely to supply Newfoundland Power Inc.
8 (“Newfoundland Power”) are recovered solely from Newfoundland Power through specifically
9 assigned charges. However, the capital costs, such as those required for interconnection, are
10 recovered through rates charged to Newfoundland Power within the Cost of Service model,
11 rather than collected at the time of execution.