

1 Q. **Reference: CA-NLH-001(c); CA-NLH-117**

2 In CA-NLH-001(c), Hydro states that providing Island Industrial Customers with a rate increase
3 similar to Newfoundland Power would require Hydro *“to propose a different method for the*
4 *allocation of costs in the Cost-of-Service Study.”* Please explain why Hydro considers a change to
5 the approved cost-of-service allocation methodology necessary to establish Island Industrial
6 rates at a revenue-to-cost ratio other than 1.00, given that an RCC other than 1.00 can be
7 achieved by changing the revenues recovered from the customer class without changing the
8 costs allocated to that class in the Cost-of-Service Study.

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11 A. Please refer to Newfoundland and Labrador Hydro’s response to CA-NLH-283 of this proceeding.