

1 Q. **Reference: CA-NLH-109; 2027 Test Year Cost of Service Study**

2 In CA-NLH-109, Hydro states that the Island Interconnected System has transitioned from an
3 isolated system to an integrated system connected to the North American grid and that the
4 resulting cost structure differs materially from that which existed at the time of the 2017 GRA.
5 Please identify any review or assessment undertaken by Hydro to determine whether the Cost-
6 of-Service functionalization, classification and allocation methodologies remain appropriate
7 given this material change in the Island Interconnected System and its cost structure. If no such
8 review or assessment has been undertaken, please confirm.

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11 A. The Cost-of-Service functionalization, classification and allocation methodologies that were
12 required to address the material change in supply costs on the Island Interconnected System are
13 those approved in the Board of Commissioners of Public Utilities Orders referenced in
14 Newfoundland and Labrador Hydro's response to CA-NLH-109 of this proceeding. The details
15 supporting the proposals are contained in the applications that resulted in those Orders.