

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

2 Please identify any material Cost of Service functionalization, classification or allocation
3 methodology that remains based on, or substantially unchanged from, the methodology
4 applicable when the Island Interconnected System operated as an isolated system and explain
5 why Hydro considers that methodology continues to be appropriate following the transition
6 identified in CA-NLH-109.

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9 A. The treatment of Holyrood Thermal Generating Station costs is a material item that
10 Newfoundland and Labrador Hydro (“Hydro”) proposes remain unchanged from when the Island
11 Interconnected System operated as an isolated system. Hydro’s position on the treatment of
12 these costs is contained in Chapter 6, Section 6.2.2 and Exhibit 14 of its 2026 General Rate
13 Application.