

1 Q. **On page 7 of Schedule 1 of the COS Methodology Review Report**, Hydro notes that it  
2 *“proposes to maintain separate cost of service studies for the Labrador Interconnected*  
3 *System and the Island Interconnected System for use in determining customer rates. This*  
4 *approach is consistent with the Government direction exempting customers on the Labrador*  
5 *Interconnected System from paying costs related to the Muskrat Falls Project.”*

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7 In light the Brattle Group’s recommendation to use one cost of service study for the  
8 Labrador Interconnected System (LIS) and the Island Interconnected System (IIS), has Hydro  
9 reconsidered its proposal to maintain separate cost of service studies for the LIS and IIS? Is  
10 it Hydro’s position that separate cost of service studies are the only means of complying  
11 with the above-noted Government direction?

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14 A. Please refer to Newfoundland and Labrador Hydro’s response to PUB-NLH-033.