

1    Q.    **Re: Cost of Service Study, Exhibit 9, s. 4.1.1, page 22**

2           Please explain how the CDM costs which are not recovered from the Labrador  
3           Interconnected customers are recovered by NLH, indicating any direct or indirect  
4           impacts on the shareholder or on other ratepayers.

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7    A.    The CDM costs which are not recovered from the Labrador Interconnected  
8           customers are not recovered by Hydro. There is no impact on ratepayers but the  
9           non-recovery of these costs does decrease the overall return to the shareholder.