

1 Q. **Re: IN-NLH-025**

2 “The CDM costs which are not recovered from the Labrador Interconnected
3 customers are not recovered by Hydro. There is no impact on ratepayers but the
4 non-recovery of these costs does decrease the overall return to the shareholder.”
5 Given that Hydro’s CDM activities among Labrador Interconnected customers
6 results in increased export sales revenues, would it not be more precise to say that
7 “any disparity (positive or negative) between CDM costs respecting Labrador
8 Interconnected customers and the resulting export revenues accrue to the
9 shareholder”?

10 If Hydro does not agree with this suggested reformulation, please state the impact
11 of CDM costs respecting Labrador Interconnected customers on shareholder
12 returns in a way that takes resulting export sales revenues into account.

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15 A. Any disparity (positive or negative) between CDM costs respecting Labrador
16 Interconnected Customers and the resulting export revenues accrue to the
17 shareholder provided the energy is available to be sold at an acceptable price.