

1 Q. Other than for the rural deficit, is the determination of NL Hydro's revenue
2 requirement for the Labrador Interconnected System affected by NL Hydro's
3 expenses elsewhere? If so, what are those expenses and their magnitudes?

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6 A. The Labrador Interconnected System is not affected by Hydro's expenses
7 elsewhere, other than those passed on through the rural deficit. There are certain
8 common costs, such as insurance or head office costs, which are allocated among
9 systems based upon the methodologies shown on Schedule 2.4E, Page 2 of 2, but
10 the costs assigned to the Labrador Interconnected System represent their
11 proportionate share of such costs.