

1 Q. **Reference: Reference Application, para. 19**

2 a) If capital costs for charging stations in Labrador, less Government funding, are not recovered
3 from customers will these costs represent a loss to Hydro?

4 b) Would this represent a cross-subsidy by Island customers paid to Labrador customers?

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7 A. a) The annual costs associated with the two Labrador chargers will reduce Newfoundland and
8 Labrador Hydro's earnings over the useful life of the assets.¹

9 b) No, the cost of these assets will not be recovered through customer rates and therefore no
10 cross-subsidy will occur.

¹ Depreciation, interest, and operating and maintenance expenses.