Q. **Reference: Volume I, Section 5.2.3, Table 5-3, Issue Topic: Intercompany Transaction Costing Guidelines**

Please provide separately the operating and capital costs incurred by Hydro to operate and maintain the Exploits Generation assets for 2024 to the 2027 test year. For operating costs, please breakdown between labour and non-labour. On a separate line, please show the cost allocation to the Government of Newfoundland and Labrador to demonstrate there is a net zero cost to Hydro regarding the operation and maintenance of these assets.

A. The Exploits assets are owned by Government of Newfoundland and Labrador (“Government”) and managed and operated by Newfoundland and Labrador Hydro (“Hydro”) on Government’s behalf.[1] The associated operating and capital costs are funded by Government through an annual capital and operating budget approved by Government and are not recovered from Hydro’s ratepayers.

[1] Hydro is exempt from the *Electrical Power Control Act, 1994* and the *Public Utilities Act* for all aspects of its activities pertaining to the Exploits generation assets pursuant to Order in Council OC2025-159.