

1 Q. **Reference: 018 Cost of Service Methodology Review Report, Exhibit 2, page 3 of 10 (43**
2 **pdf)**

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4 Preamble:

5 Column 7 for lines 8 and 9 shows a Revenue to Cost Coverage (RCC) of 0.19 for
6 Island Isolated, and of 0.31 for Labrador Isolated.

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8 Please explain the reasons why the RCC is substantially lower for Island Isolated than it is
9 for Labrador Isolated.

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12 A. The revenue to cost ratio for Labrador Isolated Systems is higher than the revenue to cost
13 ratio for the Island Isolated Systems as a result of higher energy usage contributing to
14 higher revenues for the Labrador Diesel Systems.