

1 Q. **Reference: 2018 Cost of Service Methodology Review Report, p. 6 (17 pdf)**

2

3 Citation:

4 OC2013-343 also requires that any expenditures, payments or compensation paid
5 directly or indirectly by Hydro under an agreement or arrangement to which the
6 Muskrat Falls Exemption Order applies, shall be included as costs in Hydro’s cost of
7 service, without disallowance, to be recovered through Island Interconnected
8 System customer rates. To enable Hydro to fully recover annual costs resulting
9 from charges related to the Muskrat Falls Project will require Hydro to establish a
10 supply cost recovery mechanism to deal with such cost variances. This matter was
11 reflected in the Supply Cost Mechanism review filed with the Board in June, 2016.
12 Hydro will propose revisions to its supply cost recovery mechanisms in a future GRA
13 along with its proposals to permit the recovery of Muskrat Falls Project costs
14 through customer rates.

15

16 Please provide copies or links to the Supply Cost Mechanism review filed with the Board in
17 June 2016, as well any orders issued by the Board in this regard.

18

19

20 A. Please see Newfoundland and Labrador Hydro’s response to PUB-NLH-040 for a copy of the
21 “Supply Cost Mechanism” review. There have been no orders issued by the Board of
22 Commissioners of Public Utilities in relation to this document.