

1 Q. Hydro states on page 4, paragraph 16 of the Application:

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3 It remains probable that Hydro will incur costs in 2021 as a result of the
4 commissioning of the Muskrat Falls Project. Therefore, although Hydro proposes
5 to delay its GRA filing, Hydro is proposing to continue to require 2021 as a test
6 year for use in determining the 2021 costs to be ultimately recovered from
7 customers.
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9 When would these costs be recovered from customers if, as Hydro suggests, the GRA is not
10 concluded and rates are not implemented until late 2022 or early 2023?
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13 A. Newfoundland and Labrador Hydro's ("Hydro") approach to recovering the projected 2021 Test
14 Year revenue deficiency is expected to be a combination of interim customer rates during the
15 General Rate Application ("GRA") process and rate mitigation to be provided by the Government
16 of Newfoundland and Labrador. Hydro does not expect final rates to be in effect until late 2022
17 or early 2023.

18 If the combination of implementation of interim customer rates and rate mitigation is not
19 adequate to offset the projected 2021 Test Year revenue deficiency, Hydro would propose to
20 establish a deferral account for the projected 2021 Test Year revenue deficiency. If approved, this
21 deferral account would be recovered from customers through final customer rates upon the
22 conclusion of the GRA process.