

1 Q. On page 1 of the cover letter for the Application Hydro states that the proposed deferral  
2 account “will also provide a mechanism to deal with rate mitigation funding and/or rate changes  
3 implemented solely to recover Project costs.”

4 Please clarify if Hydro expects any other rate mitigation funding or contributions from federal  
5 or/and provincial governments not “implemented solely to recover Project costs”. Please give  
6 examples of rate mitigation funding that would not qualify for treatment via the deferral  
7 account.

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10 A. Any funding that is provided to Newfoundland and Labrador Hydro (“Hydro”) for rate mitigation  
11 will be credited to the rate mitigation fund component of the proposed Supply Cost Variance  
12 Deferral Account. As Hydro is proposing to defer the monthly payments under the Muskrat Falls  
13 Project agreements and defer any rate mitigation funding provided, Hydro is not aware of  
14 examples of rate mitigation funding that would not qualify to be recorded in the Supply Cost  
15 Variance Deferral Account.