

1 Q. **Reference: Supply Cost Accounting Application, Schedule 1, page 6.**

2 In Hydro's view, will rate mitigation efforts address the customer rate impacts associated with
3 the operating and maintenance costs and sustaining capital amounts required to be funded by
4 Hydro?

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7 A. The provincial government has committed to provide rate mitigation to limit the increase in
8 customer rates on the Island Interconnected System as a result of the Muskrat Falls Project
9 ("Project"). Newfoundland and Labrador Hydro is not aware of any decisions on specific rate
10 mitigation initiatives with respect to the Project operating and maintenance costs or the costs of
11 sustaining capital under the Muskrat Falls Purchase Power Agreement.