

1 Q. **Reference: CA-NP-031g.**

2 It is stated *“The rate mitigation plan limits the rate increase to domestic customers on the Island*  
3 *Interconnected System attributable to Hydro’s costs to 2.25 per cent per year. This limits the*  
4 *Island Interconnected costs recovered through rates but is not an annual revenue cap on all*  
5 *Hydro costs to provide service to its customers.”* Is the rate mitigation plan best described as a  
6 cap on rates charged Island customers?

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9 A. The rate mitigation plan is best described as a plan which limits the rate increase, attributable to  
10 Newfoundland and Labrador Hydro’s costs, to customers on the Island Interconnected System  
11 who are responsible for paying the Muskrat Falls Project costs. Rate increases for Newfoundland  
12 Power Inc.’s (“Newfoundland Power”) customers can differ from the target increase based on  
13 changes in Newfoundland Power’s costs.