

- 1 **Q. Board Order No. P.U. 36(2021)) The Board, in Order No. P.U. 36 (2021)**
2 ***“acknowledged the rate pressures which are expected in association with the***
3 ***commissioning of the Muskrat Falls Project. The Board believes that, given the***
4 ***circumstances, both Newfoundland Power and Hydro should renew their***
5 ***efforts to provide evidence which demonstrates that every effort is being made***
6 ***to reduce costs for customers while ensuring the continued provision of reliable***
7 ***service.”***
- 8 **a) Please confirm and explain NP efforts to reduce costs for customers in light**
9 **of rate pressures brought on by Muskrat Falls.**
- 10 **b) Please provide any documentation from NP senior management to line**
11 **managers with respect to the 2024 CBA relating to budget control in light**
12 **of rate pressures brought on by the Muskrat Falls Project.**
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- 14 **A. a) Newfoundland Power manages its capital investments to ensure the delivery of**
15 **reliable, least-cost service to customers in all operating environments.¹ Balancing**
16 **the cost and reliability of the service provided to customers is consistent with the**
17 **provincial power policy and customers’ service expectations.²**
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- 19 See the response to Request for Information CA-NP-010 for further information.
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- 21 **b) There is no documentation to provide from senior management relating to budget**
22 **control in light of rate pressures brought on by the Muskrat Falls Project.**

¹ For a fulsome discussion on how Newfoundland Power balances cost and service reliability, see Newfoundland Power’s *2024 Capital Budget Application, 2024 Capital Budget Overview, Section 2.3 Balancing Cost and Service*.

² Section 3(b)(iii) of the *Electrical Power Control Act, 1994* requires that customers receive reliable service at the lowest possible cost, in an environmentally responsible manner. Quarterly surveys indicate the two most important issues to customers are reliability and price. For more information on customers’ service expectations, see the response to Request for Information CA-NP-016.