

1 Q. (Reference 2017 GRA, Volume I, page 1.4) It is stated (lines 25 to 28) *“It is well*
2 *known that the impact of the Muskrat Falls Project on customer rates will be*
3 *significant. Hydro has been working with its parent company, Nalcor Energy*
4 *(Nalcor), and the Government of Newfoundland and Labrador, to determine*
5 *potential options to help mitigate and manage these cost increases for customers.”*
6 What options are being considered, and have any of these options been
7 incorporated in this 2017 GRA?

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10 A. In its 2017 General Rate Application, Hydro has proposed the Off-island Purchases
11 Deferral Account to set aside any net savings that can be achieved from off-island
12 purchases prior to the commissioning of the Muskrat Falls Project. Details on
13 Hydro’s proposal are provided in Chapter 6: Supplemental Evidence.

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15 Hydro has been informed that rate mitigation actions or plans beyond what Hydro
16 has proposed in the 2017 GRA Hydro will be a policy decision of government.