

1 Q. (Reference 2017 GRA Volume I, pages 1.4 and 1.5) It is stated (page 1.4, lines 25 to
2 28) *“It is well known that the impact of the Muskrat Falls Project on customer rates*
3 *will be 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 Was the proposal to *“set aside any potential savings from off island purchases to*
7 *mitigate future rate increases after the full commissioning of the Muskrat Falls*
8 *Project* (page 1.5, lines 8 to 10) agreed to by Nalcor and/or the Government? Please
9 provide documentation relating to any such agreements.

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12 A. Hydro has submitted the proposed Off-Island Power Purchases Deferral Account for
13 the Board’s review as part of its 2017 General Rate Application. Hydro advised the
14 Provincial Government and Nalcor of its deferral account proposal.