

1 Q. (Reference response to NP-NLH-6) Based on this response, it appears that
2 customers will be informed of rate impacts resulting from the Muskrat Falls project
3 after the project is complete, rate impacts are understood and rate mitigation has
4 been decided. Does Hydro consider it fair to customers to inform them after-the-
5 fact rather than in advance to allow them time to mitigate rate increases through
6 conservation, fuel switching, net metering, etc?
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9 A. Impacts of the Muskrat Falls Project on electricity rates have been widely
10 communicated and publicly discussed in the province since the project began.
11 While the precise impact of project costs on electricity rates are not yet known,
12 Nalcor Energy and the Government of Newfoundland and Labrador have
13 consistently acknowledged potential rate increases for customers, as well as the
14 need to identify an appropriate approach to mitigate impacts when Muskrat Falls is
15 operational. Similarly, Hydro has reiterated potential rate increases for customers
16 resulting from the project. This is evident in recent public messaging related to the
17 current rate application and, specifically, in a news release issued on July 28, 2017,
18 in which Hydro noted:
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20 *It is well known that Muskrat Falls will have a significant impact on*
21 *electricity rates. To help offset future rate impacts for customers, the*
22 *application proposes that any savings gained by bringing less-expensive*
23 *power to the island on new transmission lines from Labrador, or Nova*
24 *Scotia, be set aside and given back to customers in future rates when*
25 *Muskrat Falls comes into service.*
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27 Please refer to Hydro's response to NP-NLH-167 for a full copy of the release.

1 Hydro is committed to communicating with customers in an open, transparent
2 manner, and will continue to provide information about potential rate increases
3 resulting from the project as information is available. When the Muskrat Falls
4 Project is complete and rate impacts are understood, Hydro is committed to
5 informing its customers.