

1 **Q. Does Mr. Bowman agree that rate mitigation funds made available by the**
2 **Provincial Government of Newfoundland and Labrador should be**
3 **functionalized, classified and allocated among all customer classes as a**
4 **separate expense credit item within the Cost of Service Study, and shared**
5 **among customer classes on a consistent basis with the overall cost allocation**
6 **approach to be approved by the Board of Commissioners of Public Utilities for**
7 **the Muskrat Falls Project? If not, what method does Mr. Bowman propose for**
8 **the treatment of available rate mitigation funds in the Cost of Service**
9 **Methodology?**

10
11
12 **A.** Mr. Bowman understands that a broad range of rate mitigation measures are under
13 study by the Board's Consultants in the Reference on Rate Mitigation Options and
14 Impacts. It is not clear which of these options might be pursued by the Board and
15 the Provincial Government. However, if the Provincial Government makes rate
16 mitigation funds available directly to the power sector with no direction other than
17 that they be used to reduce rate impacts, Mr. Bowman agrees that the funds should
18 be treated as a separate credit within the cost of service study and shared among
19 customer classes fairly according to an approach approved by the Board. Mr.
20 Bowman emphasizes that without knowing how rate mitigation funds, if any, might
21 be made available, or the conditions under which they might be made available, it
22 is difficult to commit to a particular treatment at this time. He does believe that the
23 Board should be involved in the allocation of any rate mitigation funds that might
24 be made available by Government.