

1 **Q. (page 1) It is stated that NP’s cost of service methodology and marginal costs have**
2 **received Board approval and have been in use for some time now. It is understood**
3 **that later in 2018 Hydro plans to file a cost of service study, marginal costs and**
4 **customer rates for application in the post Muskrat Falls era. Does NP plan to file a**
5 **new cost of service methodology and customer rates to reflect changes arising from**
6 **the Hydro application?**

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8 A. Newfoundland Power will participate in the upcoming Newfoundland and Labrador
9 Hydro (“Hydro”) cost of service proceeding, which may result in changes to Hydro’s cost
10 of service methodologies that may require changes in Newfoundland Power’s cost of
11 service methodologies and customer rates.

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13 Following the Board’s approval of any cost of service methodology changes for Hydro,
14 Newfoundland Power will consider what changes to Newfoundland Power’s cost of
15 service methodologies and customer rates may be appropriate. Any such changes will be
16 submitted to the Board for approval.