

1 Q. **Reference: Supply Cost Accounting Application, paragraph 16.**

2 Beyond addressing the 2021 financial impacts resulting from Muskrat Falls Contractual
3 Payments and Muskrat Falls Related Revenues, please illustrate why other changes to existing
4 supply cost mechanisms are required in 2021 to provide Hydro with a reasonable opportunity to
5 earn its return on rate base in 2021.

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8 A. Please refer to Newfoundland and Labrador Hydro's ("Hydro") responses to PUB-NLH-020 and
9 PUB-NLH-021 which explain why Hydro is proposing to create a deferral account that deals with
10 both the deferral of Muskrat Falls Project costs and the creation of a single cost deferral account
11 to deal with supply cost variations until the conclusion of Hydro's next general rate application.