

1 Q. The estimated decrease of 6.4% is based on the rules established in previous Board orders
2 primarily related to Hydro's July 1 Utility Rate adjustments and Newfoundland Power's July 1
3 rate adjustments. These adjustments are implemented each year pursuant to the rules
4 established in previous orders of the Board, primarily related to the operation of Hydro's rate
5 stabilization plan and Newfoundland Power's rate stabilization adjustment. These routine
6 adjustments made pursuant to previous Board orders are usually made through a simplified and
7 expedited process which does not involve public notice.

8 a) Please explain why it is appropriate to begin the recovery of the Muskrat Falls costs through
9 the July 1 rate adjustment process given that it is a significant new cost which is not part of
10 the routine July 1 rate adjustments and that it will lead to rates which are 6.4% higher than
11 would otherwise be the case with the normal operation of the established rules.

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14 A. Please refer to part a) of Newfoundland and Labrador Hydro's response to PUB-NLH-009 of this
15 proceeding.