

1 Q. **Reference: Application**

2 In a news release (<https://nlhydro.com/labrador-island-link-commissioned/>) on April 18, 2023,  
3 Hydro announced that following commissioning of the LIL,

4 We are now reviewing project costs and continue to work with the Provincial  
5 Government to finalize rate mitigation implementation. We will provide a  
6 further update in the coming months.

7 a) Four months have passed since that statement. What is the current status of the rate  
8 mitigation plan?

9 b) Has Hydro's CBA incorporated considerations of the rate mitigation plan? If so, in what  
10 ways?

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13 A. a) Newfoundland and Labrador Hydro ("Hydro") is continuing to actively and frequently  
14 engage with the Government of Newfoundland and Labrador on an ongoing basis regarding  
15 the finalization of the rate mitigation plan. As project costs have been finalized, the focus is  
16 on finalizing the details and mechanisms that comprise the rate mitigation plan.

17 b) No, Hydro's 2024 Capital Budget Application does not incorporate considerations of the rate  
18 mitigation plan, as this plan has not yet been finalized and implemented. Furthermore, the  
19 scope of the rate mitigation plan relates to the financing and recovery of costs associated  
20 with the Lower Churchill Project, and not Hydro's sustaining capital program. Hydro does  
21 recognize the role of sustaining capital investment in managing customer rates; as stated in  
22 Hydro's Capital Budget Overview,<sup>1</sup> Hydro aims to balance the provision of reliable service  
23 with cost management, by focusing on sound utility asset management practices, condition-  
24 based investments, and operational and system requirements.

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<sup>1</sup> "2024 Capital Budget Application," Newfoundland and Labrador Hydro, rev. August 18, 2023 (originally filed July 12, 2023), sch. 1, p. 1.