

1 **Q.** **Reference: The Brattle Group Deferral Account Report, p. 24, para. 1.**

2

3

4

5

What means do other regulated Cost of Service utilities have to incentivize cost efficiencies, and which of these could be applied to Newfoundland Power?

6

7

8

9

10

A. See responses to CA-PUB-006 and CA-PUB-007. It is also important to note, however, that all mechanisms cited in our Report regarding incentives have ESMs based on ROE and not on return on rate base. Therefore, the same mechanisms and design of these incentives may not directly translate to Newfoundland Power, given the difference in excess earnings design.