

1 Q. **Reference: NP-NLH-110, Attachment 2, page 2, Issue Topic: Long Term Supply Cost Variance**
2 **Deferral Account.**

3 Please explain why the Rate Mitigation Fund amounts are forecast to total a \$204,734,116 cost
4 in 2027.

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7 A. As presented in NP-NLH-110, Attachment 1, page 2 of this proceeding, the forecast cost of
8 \$204,734,116 is the variance between the \$501,963,983 rate mitigation in the test year and the
9 amount of rate mitigation funding received. The difference relates to the portion of rate
10 mitigation funding forecast to be received in 2027 and used to settle the December 31, 2026
11 balance in the existing Supply Cost Variance Deferral Account, as reflected in NP-NLH-110,
12 Attachment 1, page 2 in the month of March.