

1 Q. Table 2 of Exhibit 4: Revenue Requirement shows an increase in Deferred Charges of
2 \$26.294 million in the Compliance filing as compared to the original 2017 GRA filing. Please
3 provide details of the Deferred Charges entry under the 2017 Compliance Application
4 column of Table 2 compared to the equivalent details for the original 2017 GRA filing,
5 including such details broken down by any relevant subaccount, both showing the
6 quantitative impact of each change and providing the reason for the change.

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9 A. The increase in deferred charges referenced relates to the inclusion of deferred supply
10 costs as approved by the Board of Commissioners of Public Utilities in Board Order No. P.U.
11 16(2019). Please refer to Attachment 1 to this response for a detailed listing of the original
12 and revised deferred charges.

Newfoundland and Labrador Hydro
 Summary of Deferred Charges
 (\$000)

	<u>2017 Test Year as Filed</u> <u>December 31, 2017</u> <u>Closing Balance</u>	<u>Revised 2017 Test Year</u> <u>January 1, 2018</u> <u>Opening Balance</u>	<u>Variance</u>	
1	Deferred Charges:			
2				
3	Existing			
4	CDM	9,863	9,863	-
5	Phase II Hearing Costs	1,869	1,869	-
6	Isolated Systems Supply Cost	838	(3,293) ¹	(4,131) ¹
7	Energy Supply Costs Deferral	8,561	58,798 ¹	50,237 ¹
8	Holyrood Conversion	3,419	9,896 ¹	6,477 ¹
9	Holyrood Blackstart Diesel	3,130	3,130	-
10	Asset Disposal	368	368	-
11	Deferred Foreign Exchange - Inventory	(158)	(158)	-
12	Foreign Exchange	51,767	51,767	-
13	Deferred Power Purchase Deferral	(417)	(417)	-
14	Labrador RSP Refund	(398)	(398)	-
15				-
16	Total Deferred Charges	<u>78,842</u>	<u>131,425</u>	<u>52,583</u>
17				
18	Current Year Opening	180,718	180,718	-
19	Average Deferred Charges for Rate Base	<u>129,780</u>	<u>156,072</u>	<u>26,292</u>

¹As per Board Order No. P.U. 16 (2019) p.52/23-25, the supply deferral balances were approved. Hydro adjusted the 2017 GRA forecast closing supply deferral balances to ensure that the opening 2018 Test Year balance was consistent with the Board's order.