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March 25, 2024

Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau  
Executive Director and Board Secretary

**Re: Supply Cost Variance Deferral Account Monthly Report**

Further to correspondence from the Board of Commissioners of Public Utilities accompanying Board Order No. P.U. 4(2022), please find enclosed Newfoundland and Labrador Hydro's report on the activity and balance of the Supply Cost Variance Deferral Account to the end of February 2024.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
SAW/clg

Encl.

ecc:

**Board of Commissioners of Public Utilities**  
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Board General

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**Newfoundland Power Inc.**  
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# Supply Cost Variance Deferral Account Report (Unaudited)

February 2024

March 25, 2024

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account**  
**Summary**  
**February 29, 2024**

	Supply Cost Variance Deferral Account Balance (\$) (from page 2)	Utility Balance (\$) (from page 3)	Industrial Balance (\$) (from page 4)	Total to Date (\$)
Opening Balance	283,716,067	(12,444,308)	-	271,271,759
Adjustment	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>283,716,067</b>	<b>(12,444,308)</b>	<b>-</b>	<b>271,271,759</b>
January	312,104,403	(13,625,254)	-	298,479,149
February	342,046,431	(14,578,410)	-	327,468,021
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

**Supply Cost Variance Deferral Account Report for February 2024 (Unaudited)**

**Supply Cost Variance Deferral Account  
Section A - Summary  
February 29, 2024**

	Project Cost Recovery Rider		Load Variation				Financing Charges				Cumulative Net Balance (\$)						
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund (\$)	Utility <sup>1</sup> (\$)	Industrial <sup>2</sup> (\$)	Holyrood TGS <sup>3</sup> Fuel Cost Variance <sup>4</sup> (\$)	Other IIS <sup>5</sup> Supply Cost Variance <sup>4</sup> (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Utility (\$)	Industrial (\$)		Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)	Industrial (\$)	Other (\$)	Transfers (\$)
Opening Balance	855,037,017	(335,104,321)	(65,690,947)	-	(114,193,068)	(48,568,155)	(48,570,916)	(26,781,096)	53,096,149	36,415,696	(35,494,446)	270,145,913	(2,474,924)	-	16,045,078	-	283,716,067
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>855,037,017</b>	<b>(335,104,321)</b>	<b>(65,690,947)</b>	<b>-</b>	<b>(114,193,068)</b>	<b>(48,568,155)</b>	<b>(48,570,916)</b>	<b>(26,781,096)</b>	<b>53,096,149</b>	<b>36,415,696</b>	<b>(35,494,446)</b>	<b>270,145,913</b>	<b>(2,474,924)</b>	<b>-</b>	<b>16,045,078</b>	<b>-</b>	<b>283,716,067</b>
January	60,516,084	-	(5,919,516)	(302,776)	(22,011,159)	264,112	(446,394)	(1,498,023)	(4,794,456)	1,279,854	(17,559)	27,070,167	(305,206)	-	1,623,375	-	312,104,403
February	60,093,165	-	(5,193,050)	(330,240)	(21,078,220)	(3,580,930)	(407,397)	(1,498,023)	(410,190)	925,931	(29,082)	28,491,964	(332,708)	(1,407)	1,784,179	-	342,046,431
March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Year-to-Date</b>	<b>120,609,249</b>	<b>-</b>	<b>(11,112,566)</b>	<b>(633,016)</b>	<b>(43,089,379)</b>	<b>(3,316,818)</b>	<b>(853,791)</b>	<b>(2,996,046)</b>	<b>(5,204,646)</b>	<b>2,205,785</b>	<b>(46,641)</b>	<b>55,562,131</b>	<b>(637,914)</b>	<b>(1,407)</b>	<b>3,407,554</b>	<b>-</b>	<b>58,330,364</b>
<b>Total</b>	<b>975,646,266</b>	<b>(335,104,321)</b>	<b>(76,803,513)</b>	<b>(633,016)</b>	<b>(157,282,447)</b>	<b>(51,884,973)</b>	<b>(49,424,707)</b>	<b>(29,777,142)</b>	<b>47,891,503</b>	<b>38,621,481</b>	<b>(35,541,087)</b>	<b>325,708,044</b>	<b>(3,112,838)</b>	<b>(1,407)</b>	<b>19,452,632</b>	<b>-</b>	<b>342,046,431</b>

<sup>1</sup> As per Order No. P.U. 19(2022), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 0.798 cents per kWh that became effective as of July 1, 2022. There is no change to the Project Cost Recovery Rider effective July 1, 2023 as per Board Order No. P.U. 15(2023).

<sup>2</sup> As per Order No. P.U. 4(2024), the Board approved a Project Cost Recovery Rider of 0.888 cents per kWh that became effective as of January 1, 2024.

<sup>3</sup> Holyrood Thermal Generating Station ("Holyrood TGS").

<sup>4</sup> In 2021, Nalcor Energy ("Nalcor") commenced delivery of the Nova Scotia Block that, combined with limited Labrador-Island Link capacity, meant Newfoundland and Labrador Hydro ("Hydro") could not be delivered as much energy from the Muskrat Falls Hydroelectric Generating Facility as it would otherwise. Nalcor committed to indemnify Hydro for any damages suffered as a result of this reduction in deliveries including compensating Hydro for incremental costs of fuel and/or imports over the Maritime Link. The 2024 balances reflect adjustments to the calculation to eliminate incremental costs incurred by Hydro as a result of reduced deliveries. The balances in this report reflect the true-up of initial estimates made throughout the period.

<sup>5</sup> Island Interconnected System ("IIS").

**Supply Cost Variance Deferral Account**  
**Section B: Utility Customer Balance**  
**February 29, 2024**

	Allocation Rural Rate Alteration <sup>1</sup> (\$)	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$)
Opening Balance	(11,788,153)	(656,155)	-	(12,444,308)
Adjustments	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>(11,788,153)</b>	<b>(656,155)</b>	-	<b>(12,444,308)</b>
January	(1,123,129)	(57,817)	-	(13,625,254)
February	(889,852)	(63,304)	-	(14,578,410)
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
<b>Year-to-Date</b>	<b>(2,012,981)</b>	<b>(121,121)</b>	-	<b>(2,134,102)</b>
<b>Total</b>	<b>(13,801,134)</b>	<b>(777,276)</b>	-	<b>(14,578,410)</b>

<sup>1</sup> The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion that the Rural Deficit was allocated in the approved 2019 Cost of Service Study, which is 96.1% and 3.9%, respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

The only transactions posted to the Utility's Customer Balance are Newfoundland Power Inc.'s allocation of Rural Rate Alteration and associated interest until further approval is obtained from the Board.

**Supply Cost Variance Deferral Account**  
**Section B: Industrial Customers Balance<sup>1</sup>**  
**February 29, 2024**

	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	-	-	-
January	-	-	-
February	-	-	-
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Year-to-Date</b>	-	-	-
<b>Total</b>	-	-	-

<sup>1</sup> No transactions will be applied to this balance until further approval is obtained from the Board.