



Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 | f. 709.737.1800
nlhydro.com

February 26, 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),¹ 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 January 2024.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

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

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
Board General

Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

Iron Ore Company of Canada
Gregory A.C. Moores, Stewart McKelvey

Labrador Interconnected Group
Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate
Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Teck Resources Limited
Shawn Kinsella

Linde Canada Inc.
Sheryl E. Nisenbaum
Peter Strong

Newfoundland Power Inc.
Dominic J. Foley
Lindsay S.A. Hollett
Regulatory Email

¹ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 4(2022), Board of Commissioners of Public Utilities, February 21, 2022.

Supply Cost Variance Deferral Account Report (Unaudited)

January 2024

February 26, 2024

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account
 Summary
 January 31, 2024**

	Supply Cost Variance Deferral Account Balance (\$)	Utility Balance (\$)	Industrial Balance (\$)	Total to Date (\$)
	(from page 2)	(from page 3)	(from page 4)	
Opening Balance	283,716,067	(12,444,308)	-	271,271,759
Adjustment	-	-	-	-
Adjusted Opening Balance	283,716,067	(12,444,308)	-	271,271,759
January	312,110,678	(13,625,254)	-	298,485,424
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Supply Cost Variance Deferral Account Report for January 2024 (Unaudited)

Supply Cost Variance Deferral Account
Section A : Summary
January 31, 2024

	Project Cost Recovery Rider			Load Variation			Financing Charges			Cumulative Net Balance (\$)					
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund (\$)	Muskat Falls Project Cost Variance (\$)	Utility (\$)	Industrial ¹ (\$)	Holyrood TGS ² Fuel Cost Variance ³ (\$)	Other IS ⁴ Supply Cost Variance ³ (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)		Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)	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)	(35,494,446)	270,145,913	(2,474,924)	16,045,078	-	283,716,067
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Opening Balance	855,037,017	(335,104,321)	(65,690,947)	-	-	(114,193,068)	(48,568,155)	(48,570,916)	(26,781,096)	(35,494,446)	270,145,913	(2,474,924)	16,045,078	-	283,716,067
January	60,516,084	-	(5,919,516)	(302,776)	(302,776)	(22,011,159)	270,387	(446,394)	(1,498,023)	(17,559)	27,076,442	(305,206)	1,623,375	-	312,110,678
February															
March															
April															
May															
June															
July															
August															
September															
October															
November															
December															
Year-to-Date	60,516,084	-	(5,919,516)	(302,776)	(302,776)	(22,011,159)	270,387	(446,394)	(1,498,023)	(17,559)	27,076,442	(305,206)	1,623,375	-	28,394,611
Total	915,553,101	(335,104,321)	(71,610,463)	(302,776)	(302,776)	(136,204,227)	(48,297,768)	(49,017,310)	(28,279,119)	(35,512,005)	297,222,355	(2,780,130)	17,668,453	-	312,110,678

¹ As per Order No. P.U. 4(2024), the Board of Commissioners of Public Utilities ("Board") approved a Project Cost Recovery Rider of 0.888 cents per kWh that became effective as of January 1, 2024.

² Holyrood Thermal Generating Station ("Holyrood TGS").

³ 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.

⁴ Island Interconnected System ("IS").

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
January 31, 2024

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$) (to page 1)
Opening Balance	(11,788,153)	(656,155)	-	(12,444,308)
Adjustments	-	-	-	-
Adjusted Opening Balance	(11,788,153)	(656,155)	-	(12,444,308)
January	(1,123,129)	(57,817)	-	(13,625,254)
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year-to-Date	(1,123,129)	(57,817)	-	(1,180,946)
Total	(12,911,282)	(713,972)	-	(13,625,254)

¹ 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 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 Balance¹
January 31, 2024

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

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