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April 24, 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 March 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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# Supply Cost Variance Deferral Account Report (Unaudited)

March 2024

April 24, 2024

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account  
 Summary  
 March 31, 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	398,032,521	(15,412,310)	-	382,620,211
April				
May				
June				
July				
August				
September				
October				
November				
December				

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

Supply Cost Variance Deferral Account  
Section A - Summary  
March 31, 2024

	Muskat Falls Project Cost Variance		Project Cost Recovery Rider		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		Load Variation			Greenhouse Gas Credit Revenue Variance			Subtotal Monthly Variances			Financing Charges			Cumulative Net Balance (\$)	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		(\$)
Opening Balance Adjustment	855,037,017	(335,104,321)	-	-	(114,193,068)	(65,690,947)	(5,919,516)	(48,570,916)	(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
<b>Adjusted Opening Balance</b>	<b>855,037,017</b>	<b>(335,104,321)</b>	-	-	<b>(114,193,068)</b>	<b>(65,690,947)</b>	-	<b>(48,570,916)</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>16,045,078</b>	-	-	-	-	-	-	-	<b>283,716,067</b>	
January	60,516,084	-	(302,776)	(5,919,516)	(22,011,159)	(4,794,456)	(4,498,023)	(4,498,023)	(4,498,023)	(1,498,023)	(4,794,456)	(17,559)	27,070,167	(305,206)	-	-	1,623,375	-	-	-	(305,206)	-	-	-	312,104,403	
February	60,093,165	-	(330,240)	(5,193,050)	(21,078,220)	(4,865,806)	(407,397)	(407,397)	(1,498,023)	(1,498,023)	(410,190)	925,931	(29,082)	28,491,964	(332,708)	(1,407)	1,784,179	-	-	-	(332,708)	-	-	-	342,046,431	
March	61,108,742	-	(321,551)	(4,865,806)	863,538	(4,865,806)	(558,056)	(558,056)	(1,498,023)	(1,498,023)	6,584,788	1,199,512	(253,875)	54,396,913	(356,836)	(2,941)	1,948,954	-	-	-	(356,836)	-	-	-	398,032,521	
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Year-to-Date</b>	<b>181,717,991</b>	-	<b>(954,567)</b>	<b>(15,978,372)</b>	<b>(42,225,841)</b>	<b>(954,567)</b>	<b>(1,411,847)</b>	<b>(1,411,847)</b>	<b>(4,494,069)</b>	<b>(4,494,069)</b>	<b>1,380,142</b>	<b>3,405,297</b>	<b>(300,516)</b>	<b>109,959,044</b>	<b>(994,750)</b>	<b>(4,348)</b>	<b>5,356,508</b>	-	-	-	<b>(994,750)</b>	<b>(4,348)</b>	<b>(4,348)</b>	<b>(4,348)</b>	<b>114,316,454</b>	
<b>Total</b>	<b>1,036,755,008</b>	<b>(335,104,321)</b>	<b>(954,567)</b>	<b>(81,669,319)</b>	<b>(156,418,909)</b>	<b>(954,567)</b>	<b>(49,982,763)</b>	<b>(49,982,763)</b>	<b>(31,275,165)</b>	<b>(31,275,165)</b>	<b>54,476,291</b>	<b>39,820,993</b>	<b>(35,794,962)</b>	<b>380,104,957</b>	<b>(3,469,674)</b>	<b>(4,348)</b>	<b>21,401,586</b>	-	-	-	<b>(3,469,674)</b>	<b>(4,348)</b>	<b>(4,348)</b>	<b>(4,348)</b>	<b>398,032,521</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 0.885 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**  
**March 31, 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>-</b>	<b>(12,444,308)</b>
January	(1,123,129)	(57,817)	-	(13,625,254)
February	(889,852)	(63,304)	-	(14,578,410)
March	(766,167)	(67,733)	-	(15,412,310)
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
<b>Year-to-Date</b>	<b>(2,779,148)</b>	<b>(188,854)</b>	<b>-</b>	<b>(2,968,002)</b>
<b>Total</b>	<b>(14,567,301)</b>	<b>(845,009)</b>	<b>-</b>	<b>(15,412,310)</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>**  
**March 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			
<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.