



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: shirleywalsh@nlh.nl.ca

2022-05-10

Ms. Shirley Walsh
Senior Legal Counsel - Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - Supply Cost Variance Deferral Account Report -
March 2022 - Questions**

On April 25, 2022, the Board received Newfoundland and Labrador Hydro's (Hydro) monthly Supply Cost Variance Deferral Account (SCVDA) report for the month of March 2022. Based on the Board's review of the information provided in the monthly report, the Board is requesting Hydro to provide clarification on the following:

1. Based on the Board's understanding, Hydro is required to pay approximately \$32 million per month in accordance with the Muskrat Falls Power Purchase Agreement. Please explain why there is only approximately \$17.3 million included in the Muskrat Falls Project Cost Variance component of the SCVDA for the month of March, 2022.
2. Please explain the activity that occurred in March 2022 to create a debit balance of \$11,038,375 in the Holyrood TGS Fuel Cost Variance component of the SCVDA.
3. The definition of the "Transmission Tariff Revenue Variance" component of the SCVDA is defined as:

"For the purpose of this deferral account, Transmission Tariff Revenues reflect the transmission revenues paid by third parties to enable exports."

Please explain why there are no export revenues included in the "Net Revenue from Exports Variance" component to the SCVDA as of December 31, 2021 and for the month of January, 2022, even though there is activity in the "Transmission Tariff Revenue Variance" component for the time periods noted.

The Board requests that Hydro provide its response to this letter by Wednesday, May 18, 2022.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Yours truly,

Sara Kean
for Sara Kean
Assistant Board Secretary

SK/cj

ecc **Newfoundland & Labrador Hydro**

NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca

Newfoundland Power Inc.

Dominic Foley, E-mail: dfoley@newfoundlandpower.com

NP Regulatory, E-mail: regulatory@newfoundlandpower.com

Consumer Advocate

Dennis Browne, Q.C., E-mail: dbrowne@bfma-law.com

Stephen Fitzgerald, E-mail: sfitzgcrald@bfma-law.com

Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com

Bernice Bailey, E-mail: bbailley@bfma-law.com

Iron Ore Company of Canada

Gregory Moores, E-mail: gmoores@stewartmckelvey.com

Industrial Customer Group

Paul Coxworthy, E-mail: pcoxworthy@stewartmckelvey.com

Dean Porter, E-mail: dporter@poolealthouse.ca

Denis Fleming, E-mail: dfleming@coxandpalmer.com

Teck Resources Limited

Shawn Kinsella, E-mail: shawn.kinsella@teck.com

Praxair Canada Inc.

Sheryl Nisenbaum, E-mail: sheryl_nisenbaum@praxair.com

Peter Strong, E-mail: Peter.Strong@Linde.com

Labrador Interconnected Group

Senwung Luk, E-mail: sluk@oktlaw.com

Josh Favel, E-mail: jfavel@oktlaw.com