

1 Q. **Reference: Schedule 1: Evidence**

2 Further to PUB-NLH-012, in Appendix A, page 5 of 7 Hydro is also proposing to transfer the
3 balances in the Isolated System Supply Cost Variance Deferral Account to the proposed Supply
4 Cost Variance Deferral Account upon its effective date. Has Hydro considered a proposal to
5 transfer the balance accumulated in this account to the RSP before the implementation of the
6 proposed Supply Cost Variance Deferral Account? If not, please explain.

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9 A. Newfoundland and Labrador Hydro (“Hydro”) is required to file a report annually on rural deficit
10 management to support the disposition of the Isolated Systems Supply Cost Variance balance;
11 this report has not yet been filed. Without this report being available to the Board of
12 Commissioners of Public Utilities or Newfoundland Power Inc. (“Newfoundland Power”), Hydro
13 did not propose the allocation of the Newfoundland Power portion of the balance to be
14 transferred to the Utility Rate Stabilization Plan (“RSP”) Current Plan balance for recovery
15 through the RSP rate adjustment.