

1 Q. **Reference: Request for Information NP-NLH-016.**

2 Please confirm that all net export revenues will be credited to Hydro's Supply Cost Variance
3 Deferral Account or the Hydraulic Resources Optimization Deferral Account, effective January 1,
4 2023. If this cannot be confirmed, please explain and specify where else net revenues may be
5 credited to.

6

7

8 A. All net export revenue to which Newfoundland and Labrador Hydro ("Hydro") is entitled will be
9 credited to the Supply Cost Variance Deferral Account ("SCVDA") or the Hydraulic Resources
10 Optimization Deferral Account, effective January 1, 2023.¹ The sources of export revenue for
11 Hydro in 2023 are the same as 2022.

12 Net export revenues from sales of energy contractually owned by Nalcor Energy Marketing
13 Corporation and Muskrat Falls Corporation will be credited to those entities.

14 The SCVDA definition also requires non-firm sales on the Island Interconnected System supplied
15 by hydraulic generation to be credited to the deferral account. Hydro has proposed, in this
16 application, that revenues from the proposed non-firm rate for Labrador be credited to the
17 SCVDA to help offset the costs of supply from the Muskrat Falls Project.

¹ Includes net export revenues from Spill Avoidance and Ponding credited to the Hydraulic Resources Optimization Deferral Account, and Hydro's entitlement under the Muskrat Falls Power Purchase Agreement that is not used to serve Island load and available to be monetized is credited to the SCVDA. The benefits to Hydro of optimizing energy usage in Labrador to enable increased exports of Recapture Energy through Québec is also credited to the SCVDA.