

1 Q. The Application proposes the disposition of the balance in the Hydraulic Resources Optimization
2 Deferral Account as of December 31, 2023.

3 Has Hydro considered transferring the balance as of December 31, 2024 and treating any
4 difference after finalization as a “true up” adjustment? If not please explain.

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7 A. Newfoundland and Labrador Hydro (“Hydro”) did consider transferring the balance as of
8 December 31, 2024 and treating any difference after finalization as a “true up” adjustment.
9 However, Hydro decided to propose for the disposition of transactions that have been finalized¹
10 so the value of the unsettled transactions can be easily tracked in the Hydraulic Resources
11 Optimization Deferral Account.

¹ The ponding activity in 2024 is comprised of 4,774 MWh of ponding exports. This negative ponding balance can be settled by replenishment at a cost that would partially offset the export proceeds, or Hydro could assume the balance.