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May 15, 2023

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Cheryl Blundon
Director of Corporate Services and Board Secretary

Re: Quarterly Regulatory Report for the Quarter Ended March 31, 2023

Enclosed is Newfoundland and Labrador Hydro's ("Hydro") "Quarterly Regulatory Report for the Quarter Ended March 31, 2023."

The Quarterly Regulatory Report is divided into three reports, as follows:

- 1) Quarterly Summary;
- 2) Contribution In Aid of Construction; and
- 3) Customer Damage Claims.

Consistent with the Board of Commissioners of Public Utilities' approval of streamlining of the Quarterly Regulatory Report,¹ Hydro has made changes to this report for the purposes of regulatory efficiency. In addition to the removal of sections related to Energy Supply, Hydrology, Ponding/Spill Activities, and Conservation and Demand Management, Hydro has added both an abbreviations and definitions listing. Further streamlining has occurred within the report to re-organize content, condense sub-sections and reduce duplication found within, as outlined in Table 1 below.

Table 1: Streamlining of Quarterly Regulatory Report

Content	Previous Section	New Section
Safety Initiatives	2.4 Safety Initiatives	2.1 Safety at Hydro
Key Performance Indicators	Tab 2	3.0 Reliability
Achievement of EMS Targets	8.0 Environment and Conservation	1.0 Highlights
Net Metering	4.3 Net Metering Program	4.2 Customer Statistics
Capital Expenditures	7.2 Capital Expenditures	6.2 Capital Expenditures

Please note that Hydro's Board of Directors are scheduled to meet May 15, 2023, at which time they will review and approve the financial statements provided in Appendix D of Tab 1. Hydro will provide the enclosed Quarterly Regulatory Report to Newfoundland Power Inc. and other parties subsequent to the approval of the financial statements.

¹ "Newfoundland and Labrador Hydro – Streamlining of Quarterly Regulatory Report to Parties – Board's Decision on Reporting," Board of Commissioners of Public Utilities, May 11, 2023.

Cheryl Blundon
Board of Commissioners of Public Utilities

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If you have any questions on the enclosed, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/kd

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
PUB Official Email

Quarterly Regulatory Report

Quarter Ended March 31, 2023

May 15, 2023

A report to the Board of Commissioners of Public Utilities



Index

Report	Tab
Quarterly Summary	1
Contribution in Aid of Construction	2
Customer Damage Claims	3

Quarterly Summary

Quarter Ended March 31, 2023



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Attachment 2: Supply Cost Variance Deferral Account Report

Abbreviations

Term	Definition
AIF	All-Injury Frequency
bbbl.	Barrel
CIAC	Contribution in Aid of Construction
CBPP	Corner Brook Pulp and Paper Limited
CDM	Conservation and Demand Management
CF(L)Co	Churchill Falls (Labrador) Corporation
EC	Electricity Canada
EMS	Environmental Management System
FEED	Front-end engineering design
FTE	Full-time equivalent
Holyrood TGS	Holyrood Thermal Generating Station
Hydro	Newfoundland and Labrador Hydro
LTIF	Lost-Time Injury Frequency
Newfoundland Power	Newfoundland Power Inc.
NLH	Newfoundland and Labrador Hydro
Q1	First quarter
RSP	Rate Stabilization Plan
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
T-SAIDI	Transmission System Average Interruption Duration Index

Term	Definition
T-SAIFI	Transmission System Average Interruption Frequency Index
T-SARI	Transmission System Average Restoration Index
UFLS	Under Frequency Load Shedding
YTD	Year-to-date

Definitions

Current Quarter: Period ending March 31, 2023.

EMS Target: An EMS target is an initiative undertaken to improve environmental performance.

End Consumer: End Consumer is a reliability measure of all end consumers of electricity in the province supplied by Hydro, excluding Industrial customers. The measure is a combination of Hydro's service continuity data and Newfoundland Power's service continuity data for loss of supply outages resulting from events on Hydro's system.

End Consumer SAIDI: End-Consumer SAIDI measures reliability to all end customers of electricity in the province who are supplied by Hydro. It is a measure of the duration of service interruptions experienced as a result of Hydro system events but does not reflect service interruptions that are a result of issues on Newfoundland Power's distribution system.

End Consumer SAIFI: End-Consumer SAIFI measures reliability to all end customers of electricity in the province who are supplied by Hydro. It is a measure of the frequency of service interruptions experienced as a result of Hydro system events but does not reflect service interruptions that are a result of issues on Newfoundland Power's distribution system.

FTE: One FTE is the equivalent of actual paid regular hours—2,080 hours per year in the operating environment and 1,950 hours per year in Hydro's head office environment.

Net FTE: Net FTEs are regulated, Hydro-based employees, plus time charged to regulated Hydro, less time charged from regulated Hydro to the non-regulated lines of business.

Major Event: Electricity Canada defines Major Events as "events that exceed reasonable design and/or operational limits of the electrical power system."

Service Continuity SAIDI and SAIFI: Service Continuity SAIDI and SAIFI measure the duration and frequency of service interruptions to Hydro's Isolated and Interconnected systems.

SAIDI: SAIDI is the average interruption duration per customer. It is calculated by dividing the number of customer-outage hours (e.g., a 2-hour outage affecting 50 customers equals 100 customer outage hours) by the total number of customers in an area.

SAIFI: SAIFI is a reliability key performance indicator for distribution service, measuring the average cumulative number of sustained interruptions per customer per year. SAIFI is calculated by dividing the number of customers that have experienced an outage by the total number of customers in an area.

T-SAIDI: T-SAIDI is a reliability key performance indicator for bulk transmission assets, measuring the average duration of outages in minutes per delivery point.

T-SAIFI: T-SAIFI is a reliability key performance indicator for bulk transmission assets, measuring the average frequency of outages per delivery point.

T-SARI: T-SARI is a reliability key performance indicator for bulk transmission assets which measures the average duration per transmission interruption. T-SARI is calculated by dividing T-SAIDI by T-SAIFI.

UFLS: Under frequency load shedding is the reliability performance indicator that measures the number of events in which shedding of customer load is required to counteract the loss of generation capacity. During a UFLS event, customers are automatically removed from the electrical system. The quantity of customers removed is linearly proportional to the amount of generation lost.

1 **1.0 Highlights**

Table 1: Highlights YTD

	Q1			2023 Annual Target
	2023 Actual	2023 Target	2022 Actual	
Safety and Environment				
Lead/Lag Ratio	662:1	1,000:1	419:1	1,000:1
AIF Rate	0.00	<0.60	1.77	<0.60
LTIF Rate	0.00	<0.15	0.59	<0.15
Achievement of EMS Targets (%)	3	N/A	6	95
Reliability				
SAIDI ¹	0.31	0.38	0.44	2.77
SAIFI ²	0.48	0.20	0.19	1.11
Production				
Quarter End Reservoir Storage (GWh)	1,483	N/A	2,178	N/A
Hydraulic Production (GWh)	1,473.3	1,389.1	1,463.1	4,603.3
Holyrood No. 6 Fuel Oil Average Cost (\$/bbl.)	127	115	110	112
Holyrood Efficiency (kWh/bbl.)	535	583	578	583
Electricity Delivery (GWh)				
Energy Sales	2,764	2,545	2,729 ³	7,450
Financial (\$ Millions)⁴				
Revenue	237.7	229.8	234.5	642.1
Operating Expenses	36.5	33.3	32.3	136.1
Net Income (Loss)	14.7	15.6	16.2	31.4
RSP (\$ Millions)⁵				
RSP Balance	52.0	59.5	58.1	47.6
Supply Cost Variance Deferral Account (\$ Millions)⁶				
Cumulative Net Balance	12.5	256.3	77.0	439.3
FTE Employees⁷				
Regulated	787.1	N/A	750.7	818.4 ⁸

¹ SAIDI was originally reported as 0.82 in Hydro’s Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

² SAIFI was originally reported as 0.22 in Hydro’s Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

³ Restated to reflect Exports scheduled at Bottom Brook.

⁴ Financial figures exclude non-regulated activities.

⁵ The RSP report for the current quarter is provided as Attachment 1.

⁶ Computed based on methodology presented in “Supply Cost Accounting Compliance Application,” Newfoundland and Labrador Hydro, January 21, 2022.

⁷ Figures shown are net FTEs.

⁸ Increase in FTEs is primarily driven by extension of operations at the Holyrood TGS beyond March 31, 2024.

2.0 Safety and Health

2.1 Safety at Hydro

Safety is Hydro’s first priority. Hydro continues to foster a safety culture that promotes a zero-harm mindset. Hydro’s framework for safety performance includes a balanced focus on culture, people, and process as it continues to ensure its safety program reflects standards that are similar to that contained in ISO 45001. Leading indicators such as safety meetings, Occupational Health and Safety Committee meetings, leadership safety interactions, and the safety and health monitoring plan, among other performance indicators, continue to be tracked and discussed to ensure safety and health are a continuous part of Hydro’s work focus.

Hydro’s focus on ensuring the safety of its employees, contractors, and the public continued during the current quarter. The advancement of Hydro’s safety and health initiatives include:

- Activities around preventing prevalent injury types, including a rollout of Hydro’s new Injury Prevention Campaign;
- Continued promotion of the new health and wellness application to make health and wellness resources more accessible to all employees;
- Improving contractor safety management; and
- Finalizing the annual Safety and Health Monitoring Plan to complete targeted inspections, audits, and field compliance audits.

2.2 Safety Performance

An overview of Hydro’s safety performance is provided in Table 2.

Table 2: Safety Performance Detail⁹

	Q1 2023	Q1 2022	2022 Annual
Lost-Time Injuries	0	1	2
Medical Treatment Injuries	0	2	5
Lead/Lag Ratio	662:0	419:1	851:1
AIF Rate	0	1.77	0.92
LTIF Rate	0	0.59	0.26
Severity Rate (Days Lost)	0	0.00(0)	1.31(10)
High-Potential Incidents	0	2	2

⁹ Injury statistics reflect Hydro employees only.

1 Hydro experienced no recordable or lost-time injuries during the quarter, resulting in an AIF rate of 0.00
 2 and a LTIF rate of 0.00. As such, Hydro’s lost-time severity rate was also 0.00.

3 A comparison of Hydro’s AIF and LTIF rates over the past five years and the current YTD rates are
 4 provided in Chart 1. Hydro’s annual lost-time severity rate for the past five years compared to the
 5 current year end is provided in Chart 2.

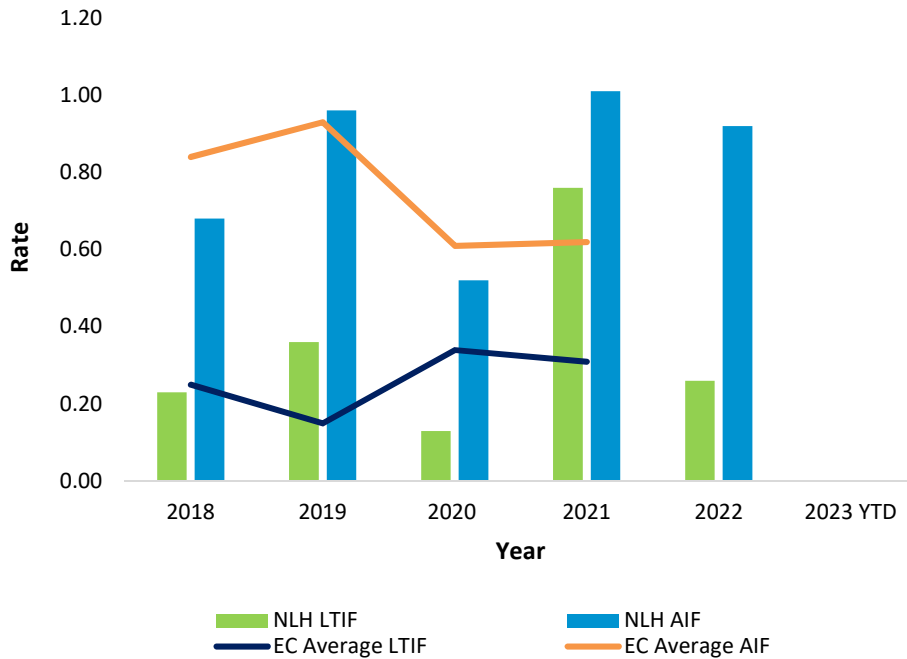


Chart 1: Hydro’s AIF and LTIF Compared to EC Averages^{10,11}

¹⁰ EC benchmarks for 2022 were not available as of the date this report was published.

¹¹ Safety and Health performance metrics are compared to EC utility members in Group 2 (300–1,500 employees).

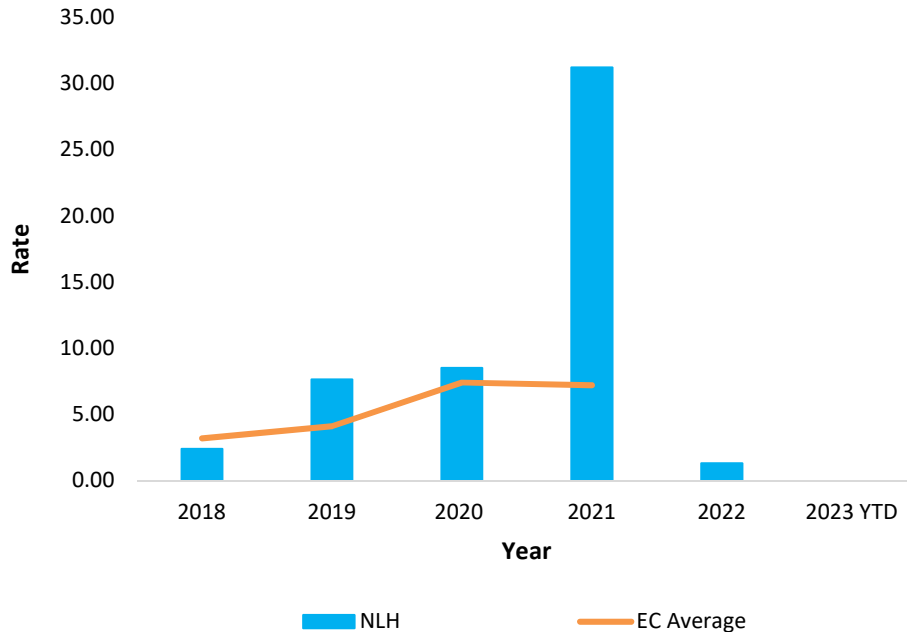


Chart 2: Hydro's Lost-Time Severity Rate Compared to EC Average^{12,13}

1 **2.3 Line Contacts**

2 Hydro had five reportable line contact incidents by third parties during the current quarter, as shown in
 3 Table 3. Four of these line contacts were by equipment or vehicles, and one contact was by an
 4 individual. No injuries to persons were sustained as a result of these incidents. Hydro continues to work
 5 toward reducing line contact incidents by increasing public and contractor awareness of the hazards
 6 associated with contacting power lines through education.

Table 3: Line Contact Equipment/Vehicle Incidents

Date	Location	Incident Description
1-Mar-2023	Springdale	Garbage truck tore service mast from house.
9-Mar-2023	Port Saunders	Drop wire found on ground.
20-Mar-2023	St. Anthony	Guy wire struck with snow plow.
23-Mar-2023	Port Saunders	Dump truck broke off pole.
30-Mar-2023	St. Anthony	Guy wire struck with personal vehicle.

¹² EC benchmarks for 2022 were not available as of the date this report was published.

¹³ Safety and Health performance metrics are compared to EC utility members in Group 2 (300–1,500 employees).

1 **3.0 Reliability¹⁴**

2 **3.1 Outage Information**

3 There were three power outages reported to the Board of Commissioners of Public Utilities during the
4 current quarter. Information on each of these outages is provided in Appendix A.

5 Power outages can occur from such causes as:

- 6 ● Adverse environment;
- 7 ● Adverse weather;
- 8 ● Defective equipment;
- 9 ● Foreign interference;
- 10 ● Human error;
- 11 ● Lightning;
- 12 ● Planned outages;
- 13 ● Tree contact; and
- 14 ● Unknown/other causes.

15 A summary of major events¹⁵ from 2018 to 2023 YTD, including the associated impact the major events
16 would have had on performance indicators is provided in Appendix B. As electrical systems are neither
17 constructed nor expected to fully withstand extreme weather conditions such as hurricanes and ice
18 storms, the impacts of major events have been removed from the data used in the calculation of each of
19 the electrical system reliability performance indicators in this report.

20 **3.2 Reliability Performance Indicators**

21 For all reliability performance indicators in this report, a year-over-year decrease in reliability indicators
22 indicates an improvement in system performance and a year-over-year increase in reliability indicators
23 indicates a decline in system performance.¹⁶

¹⁴ Hydro's Quarterly Regulatory Report previously contained reporting on live-line work. As of the end of 2022, Hydro has discontinued the manual tracking of live-line hours and the estimating of associated SAIDI/SAIFI impact.

¹⁵ Hydro previously called these events "significant events" and renamed to align with changes made by EC.

¹⁶ As EC only publishes annual indicators, 2023 data is not yet available.

1 **3.3 End-Consumer Performance**

2 The End-Consumer Performance Index data provided in Table 4 are measures of the duration and
 3 frequency of service interruptions experienced as a result of Hydro’s system events. Hydro uses the
 4 averages of its End-Consumer Indices performances for the period 2018 to 2022 to establish its 2023
 5 annual targets for these indices.

6 During the current quarter, the largest contributor to End-Consumer SAIDI was an unplanned outage to
 7 the Northern Peninsula. The largest contributor to End-Consumer SAIFI during the current quarter were
 8 unplanned outages that occurred in the Stephenville area.

Table 4: End-Consumer Performance

	Q1 2023	Q1 2022	YTD Target	YTD 2023	YTD 2022	2023 Annual Target (2018–2022 Average)
SAIDI	0.31	0.44	0.38	0.31	0.44	2.77
SAIFI	0.48	0.19	0.20	0.48	0.19	1.11

9 Hydro’s End-Consumer SAIDI and SAIFI data (2018 to 2023) for the current quarter is provided in Chart 3
 10 and Chart 4, respectively.

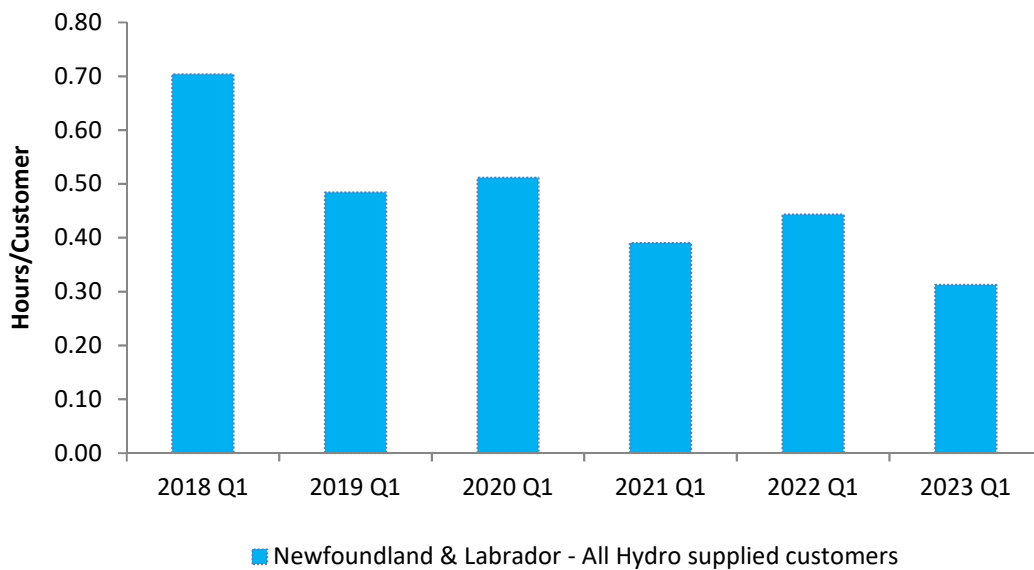


Chart 3: End-Consumer SAIDI

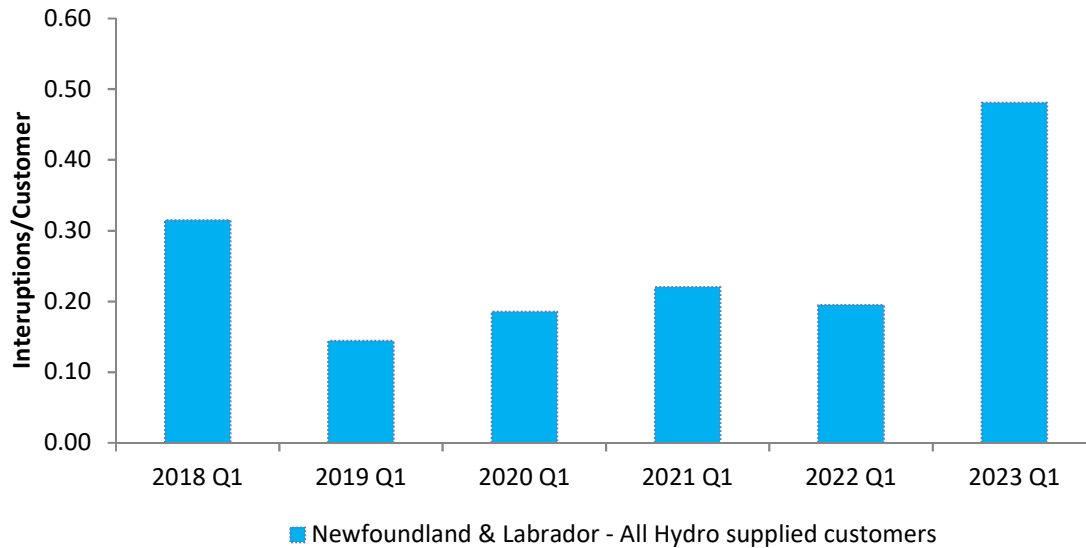


Chart 4: End-Consumer SAIFI

1 **3.4 Bulk Power System Delivery Point Interruption Performance**

2 **3.4.1 T-SAIDI and T-SAIFI Indexes**

3 T-SAIDI and T-SAIFI data for planned and unplanned outages are provided in Table 5 and Table 6,
 4 respectively. Hydro uses the averages of each Index for the period 2018 to 2022 to establish its annual
 5 target¹⁷ for 2023. The T-SAIDI and T-SAIFI performance for Hydro (2018 to 2023 YTD) and EC are
 6 provided in Chart 5 and Chart 6, respectively.

7 During the current quarter, the events that made the largest impacts on T-SAIDI and T-SAIFI were
 8 unplanned outages to the Northern Peninsula.

Table 5: T-SAIDI¹⁸

	Q1 2023	Q1 2022 ¹⁹	Target	YTD 2023	2022	Annual Target 2023
Planned	8	23	N/A	8	23	N/A
Unplanned	26	15	N/A	26	15	N/A
Planned and Unplanned	34	38	100	34	38	487

¹⁷ Hydro has completed a delivery point review, and has developed the 2023 transmission targets using updated historic values.

¹⁸ Numbers may not add due to rounding.

¹⁹ T-SAIDI was originally reported as 130 in Hydro’s Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

Table 6: T-SAIFI²⁰

	Q1 2023	Q1 2022 ²¹	Target	YTD 2023	2022	Annual Target 2023
Planned	0.12	0.08	N/A	0.12	0.08	N/A
Unplanned	0.69	0.22	N/A	0.69	0.22	N/A
Planned and Unplanned	0.81	0.30	0.71	0.81	0.30	3.37

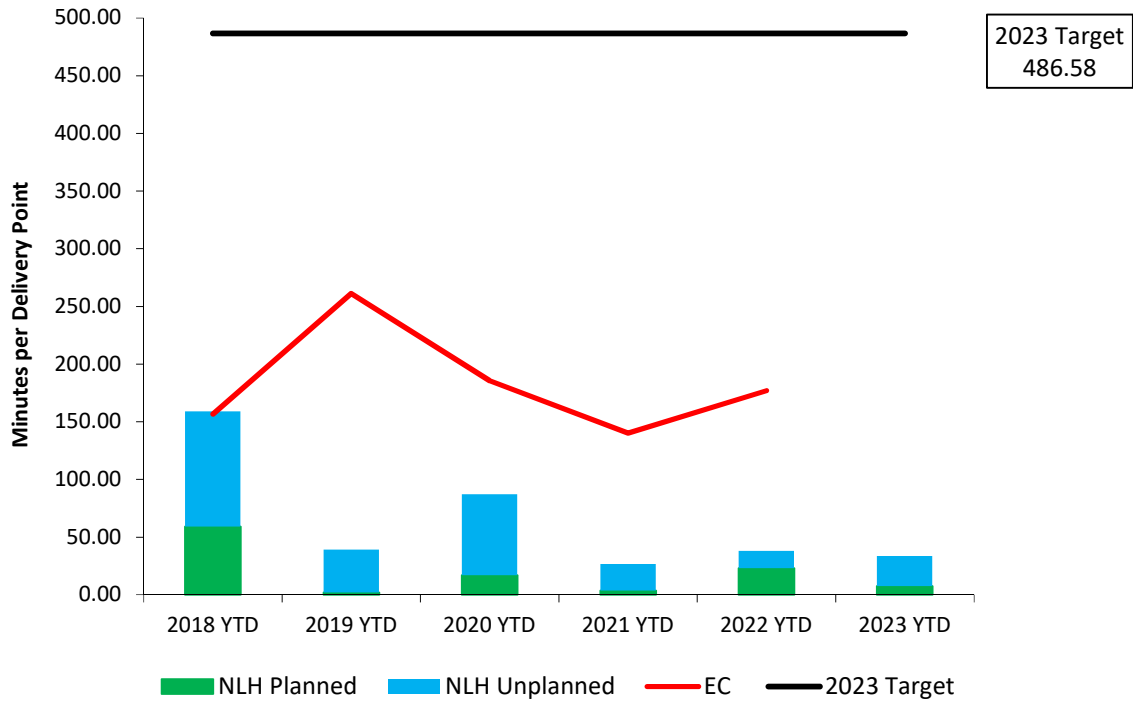


Chart 5: T-SAIDI

²⁰ Numbers may not add due to rounding.

²¹ T-SAIFI was originally reported as 0.53 in Hydro's Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

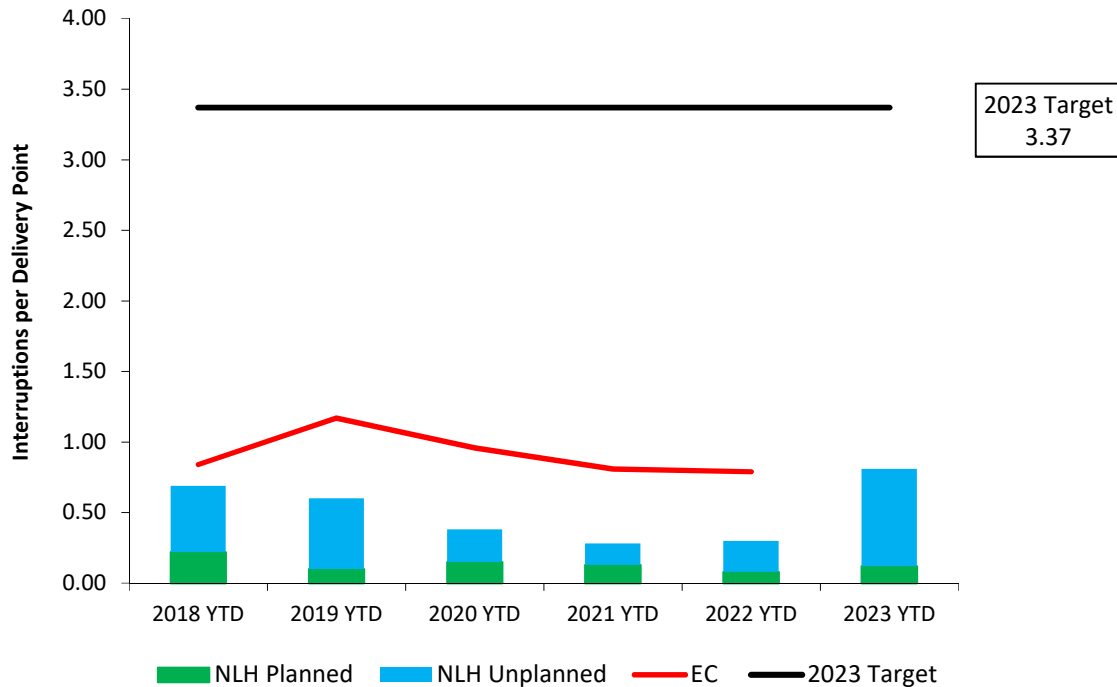


Chart 6: T-SAIFI

1 **3.4.2 Transmission System Average Restoration Index**

- 2 Hydro’s T-SARI was 42 minutes per interruption to the end of the current quarter this year compared to
 3 127 minutes per interruption for same period last year.²² Hydro does not establish a restoration index
 4 target. The T-SARI performance data for Hydro (2018 to 2023 YTD) and EC is provided in Chart 7.

²² T-SARI is calculated based on numbers that have not been rounded. Therefore, T-SARI may not equate T-SAIDI divided by T-SAIFI as presented in this report due to rounding.

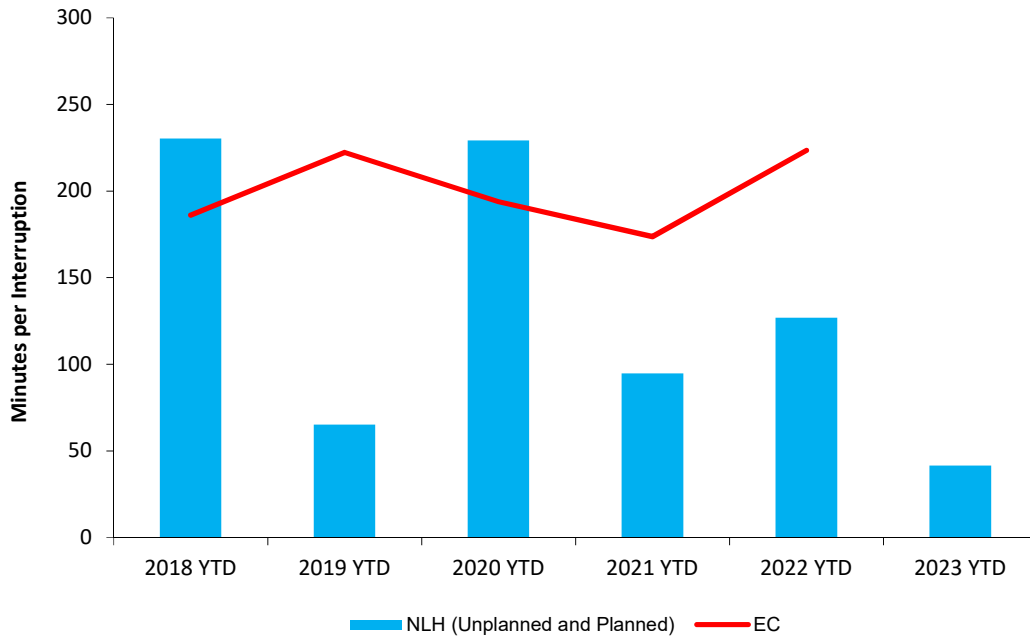


Chart 7: T-SARI

1 **3.5 Under Frequency Load Shedding**

- 2 Performance data for UFLS events and UFLS undersupplied energy, by customer breakdown, are
 3 provided in Table 7 and Table 8, respectively.²³ The annual UFLS target has historically been set at six
 4 events. Hydro does not establish a UFLS event YTD target or UFLS undersupplied energy targets.
 5 Performance data for UFLS events is provided in Chart 8.

Table 7: Customer Breakdown of UFLS Events

Customers	Q1 2023	Q1 2022	12 Months-to-Date		Annual Target 2023	Average 2018–2022
			2023	2022		
Newfoundland Power	1	0	3	2	N/A	2.0
Industrials	2	0	5	1	N/A	1.6
Hydro Rural	0	0	0	0	N/A	0
Total Events	1	0	3	2	6	2.0

²³ As individual UFLS events can affect customer types differently, total events may not be the sum of the customer types.

Table 8: Customer Breakdown of UFLS Undersupplied Energy (MW-min)

Customers			12 Months-to-Date		Average
	Q1 2023	Q1 2022	2023	2022	2018–2022
Newfoundland Power	308	0	9,398	2,266	3,512.2
Industrials	68	0	763	240	277.0
Hydro Rural	0	0	0	0	0
Total Undersupplied Energy	376	0	10,161	2,506	3,789.2

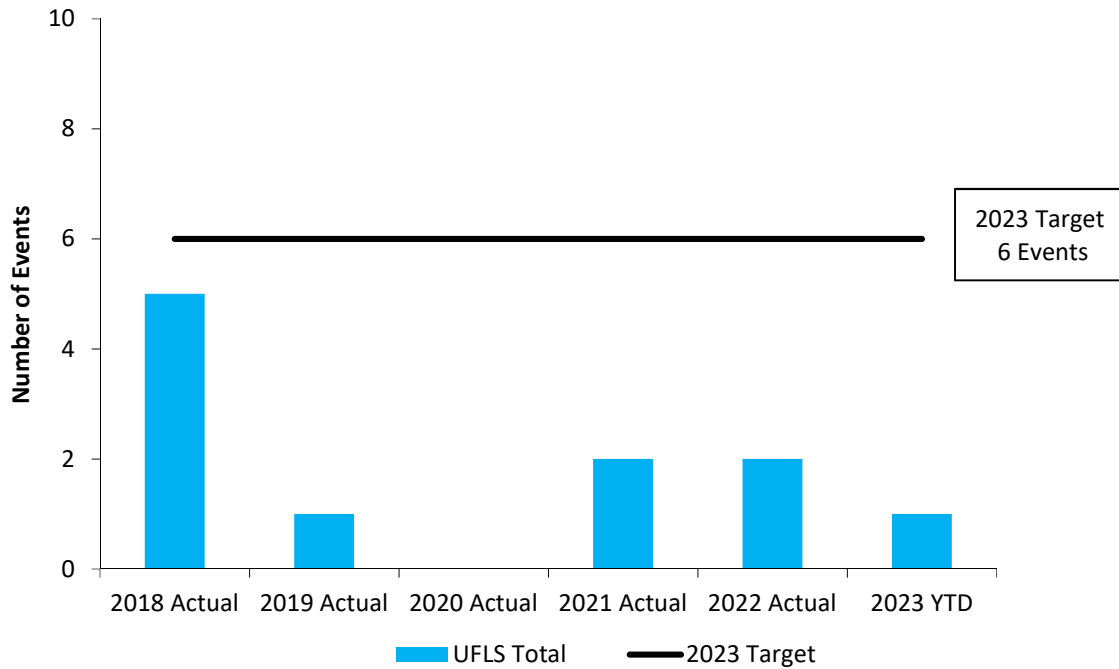


Chart 8: UFLS Events

1 **3.6 Service Continuity Performance**

2 **3.6.1 Service Continuity SAIDI and SAIFI**

3 Service Continuity SAIDI and SAIFI performance data is provided in Table 9 and Table 10, respectively.

4 Hydro uses the average of each Index for the period 2018 to 2022 to establish its annual targets for 2023

5 for these indexes. Service Continuity SAIDI and SAIFI performance data for Hydro (2018 to 2023 YTD)

6 and EC is provided in Chart 9 and Chart 10, respectively.

7 During the current quarter, the largest contributors to Service Continuity SAIDI and SAIFI were related to

8 unplanned outages for customers on the Northern Peninsula.

Table 9: Service Continuity SAIDI²⁴

	Q1 2023	Q1 2022 ²⁵	Target	YTD 2023	2022	Annual Target 2023
Planned	0.28	0.06	N/A	0.28	0.06	N/A
Unplanned	1.70	3.15	N/A	1.70	3.15	N/A
Planned and Unplanned	1.98	3.21	2.56	1.98	3.21	18.47

Table 10: Service Continuity SAIFI²⁶

	Q1 2023	Q1 2022 ²⁷	Target	YTD 2023	2022	Annual Target 2023
Planned	0.13	0.08	N/A	0.13	0.08	N/A
Unplanned	1.19	0.90	N/A	1.19	0.90	N/A
Planned and Unplanned	1.32	0.98	0.97	1.32	0.98	5.48

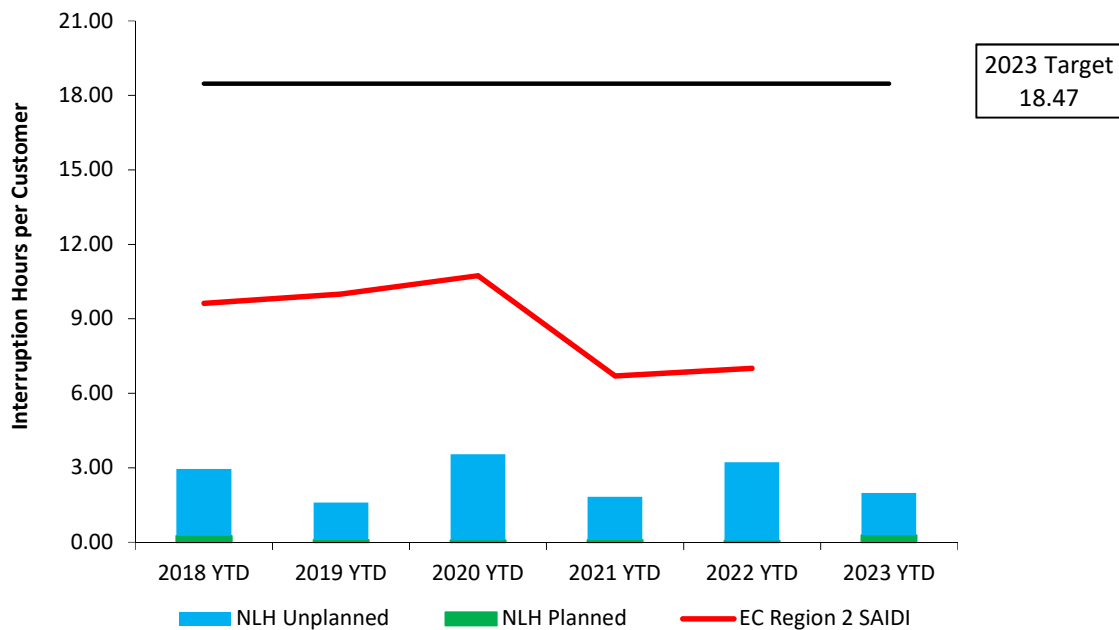


Chart 9: Service Continuity SAIDI

²⁴ Numbers may not add due to rounding.

²⁵ Service Continuity SAIDI was originally reported as 6.14 in Hydro’s Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

²⁶ Numbers may not add due to rounding.

²⁷ Service Continuity SAIFI was originally reported as 1.17 in Hydro’s Quarterly Regulatory Report for the Quarter Ended March 31, 2022, due to inclusion of an outage that was subsequently reclassified as a major event.

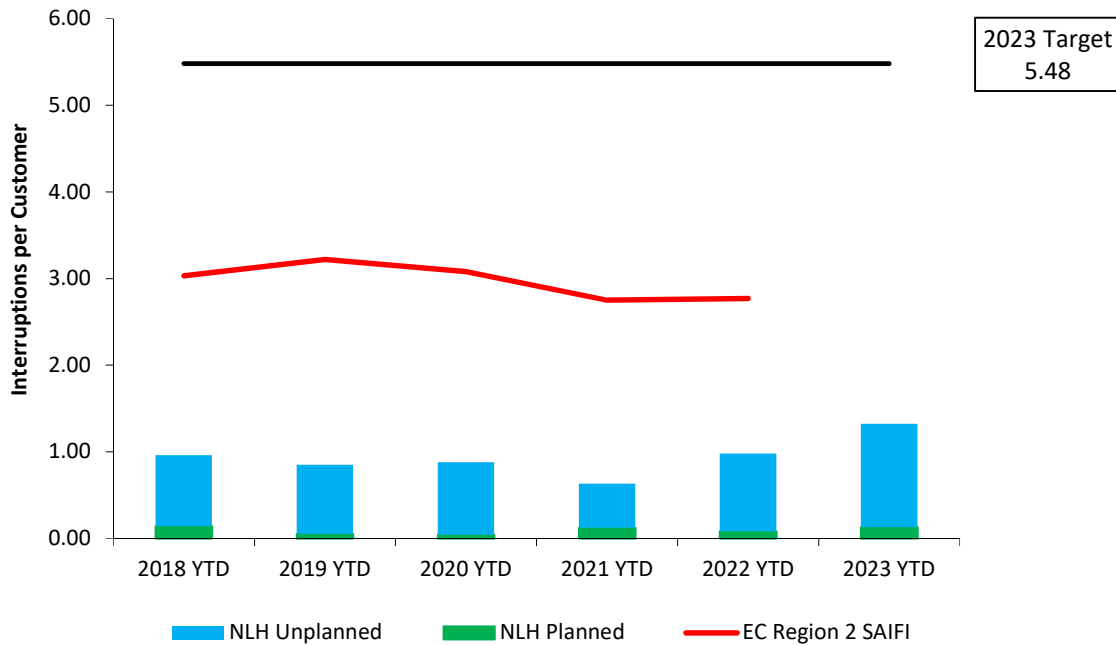


Chart 10: Service Continuity SAIFI

1 **3.6.2 Service Continuity Performance by Area**

2 Service Continuity SAIDI and SAIFI performance data, broken down by geographical area, are provided in
 3 Table 11 and Table 12, respectively. The area performance indicators are calculated using the respective
 4 area customer count.

Table 11: Service Continuity SAIDI

Area	Q1 2023	Q1 2022	12 Months-to-Date		Average
			2023	2022	2018–2022
Central					
Interconnected	2.21	4.14	17.82	14.72	19.70
Isolated	0.05	2.88	6.21	4.01	3.95
Labrador					
Interconnected	0.28	0.59	24.05	44.51	26.52
Isolated	1.29	12.46	3.83	23.68	11.43
Northern					
Interconnected	4.20	2.72	10.02	12.10	11.66
Isolated	0.35	6.05	6.31	8.12	9.86
All Areas ²⁸	1.98	3.21	16.22	22.68	18.47

²⁸ All areas performance indicators are calculated using all of Hydro Rural Systems customers. Therefore, the area performances cannot be summed to provide all areas performances.

Table 12: Service Continuity SAIFI

Area	Q1 2023	Q1 2022	12 Months-to-Date		Average 2018–2022
			2023	2022	
Central					
Interconnected	0.65	1.14	4.69	4.63	5.16
Isolated	0.61	1.74	1.20	4.10	3.38
Labrador					
Interconnected	0.79	0.23	5.82	9.12	6.80
Isolated	0.84	1.80	5.27	6.57	5.47
Northern					
Interconnected	3.05	1.36	6.22	6.26	4.73
Isolated	0.79	1.21	2.14	3.88	4.60
All Areas ²⁹	1.32	0.98	5.25	6.41	5.48

1 3.6.3 Service Continuity Performance by Origin

- 2 Service continuity SAIDI and SAIFI values, broken down by origin, are provided in Table 13 and Table 14,
3 respectively.³⁰

Table 13: Service Continuity SAIDI³¹

Origin	Q1 2023	Q1 2022	12 Months-to-Date		Average 2018–2022
			2023	2022	
Loss of Supply: Transmission	1.02	1.13	10.09	11.63	10.71
Distribution	0.96	2.08	6.13	11.05	7.76
Overall SAIDI	1.98	3.21	16.22	22.68	18.47

Table 14: Service Continuity SAIFI³²

Origin	Q1 2023	Q1 2022	12 Months-to-Date		Average 2018–2022
			2023	2022	
Loss of Supply: Transmission	0.87	0.39	2.91	2.81	3.07
Distribution	0.45	0.59	2.34	3.60	2.41
Overall SAIFI	1.32	0.98	5.25	6.41	5.48

²⁹ All areas performance indicators are calculated using all of Hydro Rural Systems customers. Therefore, the area performances cannot be summed to provide all areas performances.

³⁰ Hydro is updating some reliability tracking processes and is currently unable to provide segmented loss of supply statistics for the Newfoundland Power, Isolated, and L'Anse-au-Loup systems. Reporting will resume when available.

³¹ Numbers may not add due to rounding.

³² Numbers may not add due to rounding.

1 **3.6.4 Service Continuity Performance by Type**

2 Service Continuity SAIDI and SAIFI values, broken down by geographical area, are provided in Table 15.

3 The area performance indicators are calculated using the area customer count.

Table 15: Service Continuity by Interruption Type³³

Area	Q1 2023 Planned		Q1 2023 Unplanned		Q1 2023 Total	
	SAIFI	SAIDI	SAIFI	SAIDI	SAIFI	SAIDI
Central						
Interconnected	0.18	0.56	0.47	1.65	0.65	2.21
Isolated	0.00	0.00	0.61	0.05	0.61	0.05
Labrador						
Interconnected	0.00	0.00	0.79	0.28	0.79	0.28
Isolated	0.00	0.00	0.84	1.29	0.84	1.29
Northern						
Interconnected	0.28	0.37	2.78	3.83	3.05	4.20
Isolated	0.00	0.00	0.79	0.35	0.79	0.35
All Areas ³⁴	0.13	0.28	1.19	1.70	1.32	1.98

4 **3.6.5 Service Continuity Customer Interruptions by Cause**

5 Service Continuity interruptions, grouped by cause, are provided in Table 16.

Table 16: Service Continuity by Cause of Interruption³⁵

Cause	Q1 2023		YTD	
	Customers Interrupted	SAIDI	Customers Interrupted	SAIDI
Adverse Environment	5	0.00	5	0.00
Adverse Weather	660	0.01	660	0.01
Defective Equipment	4,807	0.40	4,807	0.40
Environment – Corrosion	592	0.02	592	0.02
Environment – Salt Spray	10	0.00	10	0.00
Foreign Interference	0	0.00	0	0.00
Foreign Interference – Object	3	0.00	3	0.00
Foreign Interference – Vehicle	961	0.06	961	0.06
Human Error	0	0.00	0	0.00
Loss of Supply	33,707	1.02	33,707	1.02
Lightning	0	0.00	0	0.00
Scheduled Outage – Planned	5,044	0.28	5,044	0.28
Tree Contacts	2,969	0.09	2,969	0.09
Undetermined/Other	2,482	0.09	2,482	0.09
Total	51,240	1.98	51,240	1.98

³³ Numbers may not add due to rounding.

³⁴All areas performance indicators are for all Hydro customers. The area performances cannot be summed to provide all areas performances.

³⁵ Numbers may not add due to rounding.

1 **3.7 Generation Outage Summary**

2 A summary of the status of Hydro’s generating units for the current quarter is provided as Appendix C. It
 3 classifies which units were available or unavailable and any associated deratings. Further information is
 4 provided in Hydro’s daily Supply and Demand Status reports filed with the Board.³⁶

5 **4.0 Customer Service**

6 **4.1 Customer Transactional Surveys**

7 Survey results for the current quarter indicate that approximately 85% of customers were satisfied with
 8 the service they received when they reached out to Hydro’s customer service department for assistance
 9 and 84% of customers felt their concern was resolved with the first call. A summary of these results is
 10 provided in Table 17.

Table 17: Customer Service Transactional Survey Data

Measure	Q1 2023	Q1 2022
Overall Satisfaction	85%	84%
First Call Resolution	84%	86%
Number of Surveys Completed	520	516

11 **4.2 Customer Statistics**

12 A summary of the number of Hydro customers in each customer class, including net metering is
 13 provided in Table 18.

14 Hydro did not receive any new net metering applications during the current quarter. Hydro’s total
 15 number of net metering customers remains at three, with a total net metering capacity of 71.6 kW.

³⁶ Hydro’s daily Supply and Demand Status reports can be accessed at
 <<http://www.pub.nl.ca/applications/IslandInterconnectedSystem/DemandStatusReports.htm>>.

Table 18: Customer Statistics

Customer Class	Q1		Annual	
	2023 Actual	2022 Actual	2023 Budget	2022 Actual
Rural	39,163	39,013	39,126	39,101
Industrial	5	5	6	5
Labrador Industrial Transmission ³⁷	2	2	2	2
Utility	1	1	1	1
Average Monthly Reading Days	30.0	30.0	N/A	30.1
Net Metering Customers	3	3	N/A	3

1 5.0 Supply Costs and Energy Sales

2 5.1 Fuel Prices

3 During the current quarter, market prices for No. 6 fuel oil reached a high of \$126 per bbl. mid-February
 4 and a low of \$106 per bbl. mid-March. The ending inventory cost was \$124 per bbl. This compares to the
 5 fuel price of \$105.90 per bbl. that was reflected in Newfoundland Power’s base rates during the current
 6 quarter.³⁸ No. 6 fuel oil inventory at the end of the quarter was 272,394 bbls.

7 During the current quarter, there were three shipments of No. 6 fuel oil as shown in Table 19.

Table 19: No. 6 Fuel Oil Shipments in Q1 2023

Delivery Date	Quantity (bbl.)	Price/bbl. Delivered (\$)
31-Jan-2023	201,181	119.86
18-Feb-2023	204,357	123.39
3-Mar-2023	204,904	124.18

8 A comparison of No. 6 fuel oil prices through 2023 as compared to 2021 and 2022, as well as the fuel oil
 9 price reflected in the wholesale rate to Newfoundland Power are provided in Chart 11.

³⁷ Iron Ore Company of Canada (“IOC”) and Tacora Resources.

³⁸ The price of \$105.90 per bbl. is reflected in Newfoundland Power’s base rates effective October 1, 2019, as per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 30(2019), Board of Commissioners of Public Utilities, September 11, 2019.

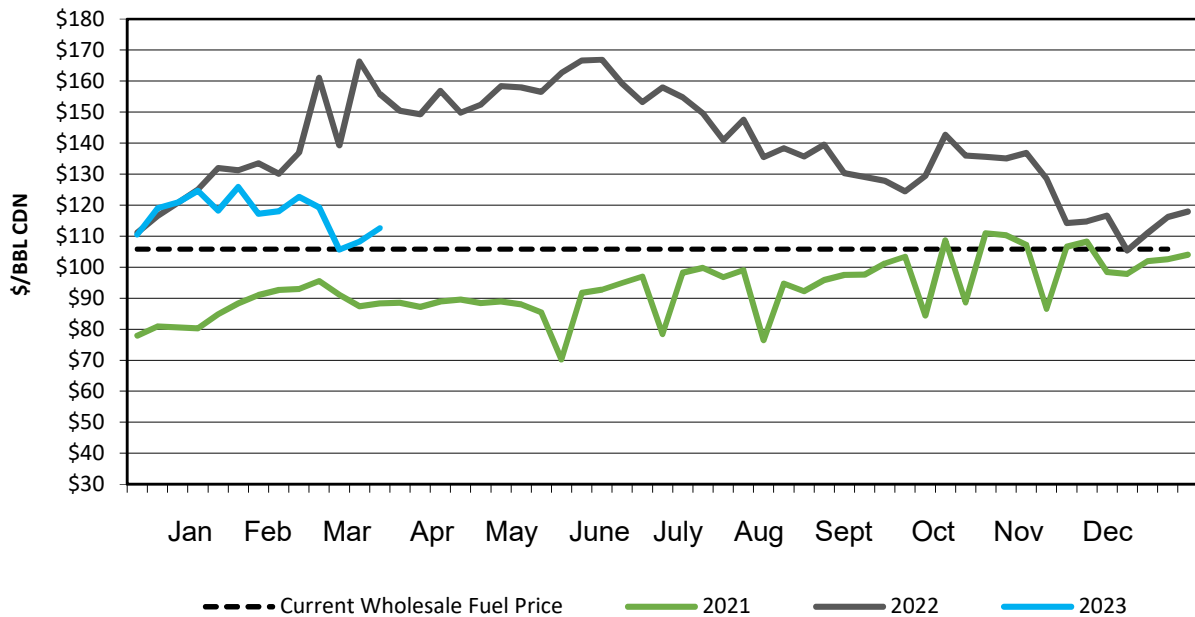


Chart 11: No. 6 Fuel Oil Average Weekly New York Spot Price

- The monthly forecast price of No. 6 fuel oil is provided in Table 20.^{39,40}

Table 20: No. 6 Fuel Oil Forecast Prices (\$CDN/bbl.)

Month	Price
April 2023	94.00
May 2023	103.60
June 2023	106.00
July 2023	110.70
August 2023	112.90
September 2023	118.30
October 2023	113.10
November 2023	111.70
December 2023	113.70
January 2024	105.00
February 2024	98.60
March 2024	94.50

³⁹ The 2023 price forecast is based on Platts Analytics fuel price outlook, January 2023 World Oil Market Forecast and includes the premium for the No. 6 fuel oil.

⁴⁰ The 2024 price forecast is based on Platts Analytics fuel price outlook, April 2023 World Oil Market Forecast and includes the premium for the No. 6 fuel oil.

1 A comparison of the Ultra Low Sulphur Diesel No. 1 (used in diesel generation) fuel oil prices is provided
 2 in Chart 12.

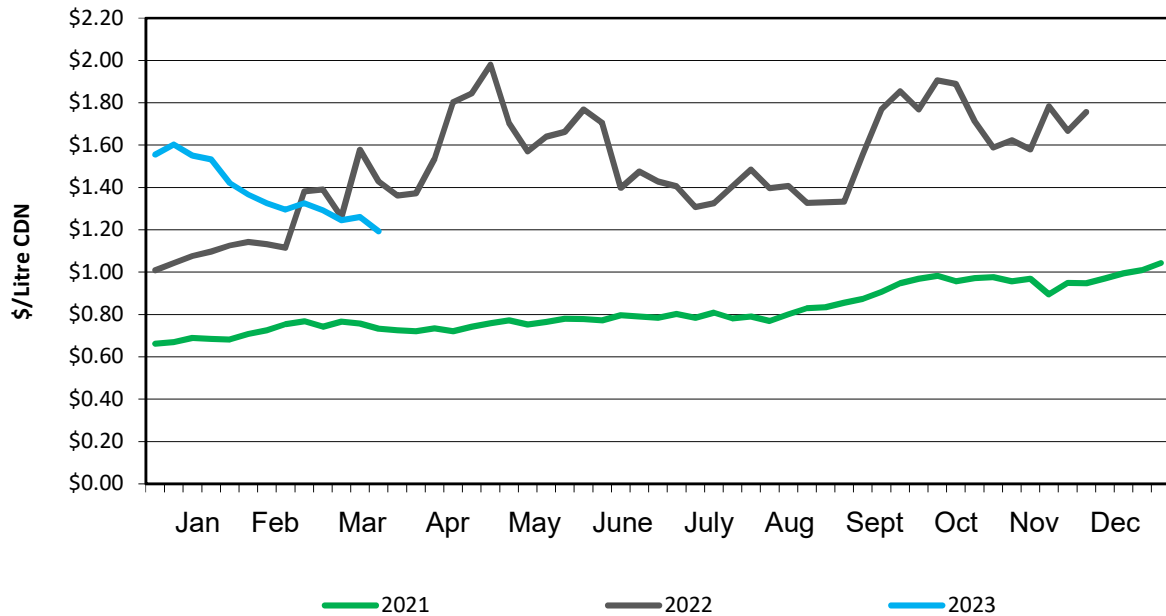


Chart 12: Ultra Low Sulphur Diesel Weekly Montreal Rack Price

3 **5.2 Transfers to Supply Cost Deferral Accounts**

4 **5.2.1 Supply Cost Variance Deferral Account Overview**

5 The balances accumulated in the Supply Cost Variance Deferral Account as at March 31, 2023 are
 6 reported in Attachment 2. The 2023 activity in the account decreased the balance by \$177.9 million,
 7 primarily due to the grant received from the Government of Newfoundland and Labrador in
 8 March 2023. On March 30, 2023, Hydro received correspondence from the Minister of Industry, Energy
 9 and Technology regarding the provision of a \$190.4 million grant for the purposes of rate mitigation.
 10 This grant has been credited to the Rate Mitigation Fund component of the Supply Cost Variance
 11 Deferral Account in March 2023 which funded the 2022 balance.

12 The current quarter payments made under the Muskrat Falls Power Purchase Agreement were
 13 \$59.6 million. This increase in costs were offset by fuel savings at the Holyrood TGS (\$21.5 million) and
 14 payments received from Newfoundland Power related to the Project Cost Recovery Rider, implemented
 15 in July 1, 2022 that is credited to the Utility component of the Supply Cost Variance Deferral Account
 16 (\$15.9 million). The total balance in the account as at March 31, 2023 is \$12.5 million.

1 **5.2.2 Isolated Systems Cost Variance Deferral Account**

2 Hydro accumulated \$5.4 million⁴¹ in the Isolated Systems Cost Variance Deferral Account as at
 3 March 31, 2023. The current year’s actual unit cost of diesel fuel was approximately 34 cents per kWh
 4 more than the 2019 Test Year unit cost of fuel, which is the primary driver of the YTD transfer of fuel oil
 5 costs to this account this year.

6 The current year transfers to the Isolated Systems Cost Variance Deferral Account are provided in Table
 7 21. Pursuant to Board Order No. P.U. 30(2019), Hydro has calculated the transfers relative to 2019 Test
 8 Year.

Table 21: Isolated Systems Cost Variance Deferral Account Transfers⁴²
 (\$ Millions)

Q1 2023 Actual	Q1 2022 Actual	Variance
5.4	0.7	4.7

9 In accordance with the currently approved account definitions, Hydro will file its application for recovery
 10 of the Isolated Systems Cost Variance Deferral Account on or before March 31, 2024. This application
 11 will include the final transfer amounts as well as detailed information as to the drivers of the transfers.

12 **5.3 Statement of Energy Sold**

13 A summary of Hydro’s energy sales YTD compared to that of other reporting periods is provided in Table
 14 22.

⁴¹ The March 31, 2023 Isolated System Cost Variance Deferral balance of \$5.4 million is unaudited.

⁴² Net of deadbands.

Table 22: Statement of Energy Sold (GWh)

	2023 Actual	YTD 2022 Actual ⁴³	2023 Budget	2023 Annual Budget
Island Interconnected				
Newfoundland Power	1,998	1,901	2,017	5,708
Island Industrials	100	110	148	590
Export and Other	251	297	0	0
Rural				
Domestic	87	84	82	237
General Service	51	50	45	167
Street Lighting	1	1	1	3
Subtotal Rural	139	135	128	407
Subtotal Island Interconnected	2,488	2,443	2,293	6,705
Island Isolated				
Domestic	2	1	1	4
General Service	0	0	1	2
Street Lighting	0	0	0	0
Subtotal Island Isolated	2	1	2	6
Labrador Interconnected				
Domestic	127	131	117	319
General Service	132	128	113	349
Street Lighting	0	0	0	2
Subtotal Labrador Interconnected	259	259	230	670
Labrador Isolated				
Domestic	8	8	7	25
General Service	5	5	5	19
Street Lighting	0	0	0	0
Subtotal Labrador Isolated	13	13	12	44
L'Anse-au-Loup				
Domestic	6	6	5	16
General Service	3	3	3	9
Street Lighting	0	0	0	0
Subtotal L'Anse-au-Loup	9	9	8	25
Total Energy Sold (Before Rural Accrual)	2,771	2,725	2,545	7,450
Rural Accrual	(7)	4	N/A	N/A
Total Energy Sold	2,764	2,729	2,545	7,450
Non-Regulated Customers⁴⁴				
Labrador Industrials	523	537	590	2,116

⁴³ Restated to reflect Exports scheduled at Bottom Brook.

⁴⁴ Does not include non-regulated sales for export.

1 **6.0 Asset Management and Investment**

2 **6.1 2023 Capital Budget**

3 Hydro's 2023 Capital Budget was approved by the Board in Order No. P.U. 2(2023).⁴⁵ In addition to
4 approval for an investment of \$91 million in capital projects, Hydro carried forward approximately
5 \$40 million from its 2022 capital program. As a result, Hydro's opening capital budget for 2023 was
6 \$131 million. Additionally, supplemental capital of \$9 million has been approved for 2023. Hydro's
7 revised Board-approved 2023 capital budget as at March 31, 2023, was \$140 million. Table 23 shows the
8 breakdown of Hydro's Capital Budget approvals of \$140 million by Board Order.

⁴⁵ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2023), Board of Commissioners of Public Utilities, January 26, 2023.

Table 23: Capital Budget by Board Order for the Quarter Ended March 31, 2023 (\$000)⁴⁶

2023 Capital Budget⁴⁷	90,829
Carryover Projects 2022 to 2023 ⁴⁸	39,991
Projects Approved by Board:	
Order No. P.U. 27(2021) ⁴⁹	586
Order No. P.U. 28(2021) ⁵⁰	118
Order No. P.U. 12(2022) ⁵¹	457
Order No. P.U. 14(2022) ⁵²	138
Order No. P.U. 17(2022) ⁵³	1,561
Order No. P.U. 18(2022) ⁵⁴	3,040
Order No. P.U. 30(2022) ⁵⁵	3,386
Order No. P.U. 32(2022) ⁵⁶	45
Total Projects Approved by Board Order	9,331
2023 New Projects Under \$50,000 approved by Hydro	-
Total Approved Capital Budget⁵⁷	140,150

⁴⁶ Numbers may not add due to rounding.

⁴⁷ Approved in *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2023), Board of Commissioners of Public Utilities, January 26, 2023.

⁴⁸ The carryover budget of \$40.0 million excludes CIACs. Hydro also carried forward CIACs of (\$3.1) million which would result in a net carryover budget of \$36.9 million.

⁴⁹ The construction of an interconnection between Star Lake Terminal Station and Valentine Terminal Station was approved for \$15.8 million, of which \$0.6 million is budgeted for 2023. The project is fully contributed.

⁵⁰ The purchase of a diesel generating unit for the Ramea Diesel Generating Station was approved for \$2.4 million, of which \$0.1 million is budgeted for 2023.

⁵¹ The roof replacement of the Makkovik Diesel Generating Station was approved for \$0.6 million, of which \$0.5 million is budgeted for 2023.

⁵² The purchase and install of a 545 kW diesel engine at the Mary's Harbour Diesel Generating Station was approved for \$0.1 million.

⁵³ The purchase of one set of last stage blades to serve as capital spares for Units 1 and 2 at the Holyrood TGS was approved for \$1.6 million, of which \$1.6 million is budgeted for 2023.

⁵⁴ The rotor rim shrinking and stator recentering at the Upper Salmon Hydroelectric Generating Station was approved for \$4.0 million, of which \$3.0 million is budgeted for 2023.

⁵⁵ Four projects at the Holyrood TGS were approved—the refurbishment of Day Tank was approved for \$0.8 million, of which \$0.7 million is budgeted for 2023; the refurbishment of Tank 1 was approved for \$2.0 million, of which \$0.9 million is approved for 2023; the replacement of the Tank Farm Underground Firewater Distribution System was approved for \$1.4 million, of which \$1.3 million is approved for 2023; and the upgrade of the Unit 2 Turbine Control System was approved for \$0.7 million, of which \$0.5 million is approved for 2023.

⁵⁶ The acquisition and repair of the Lower Churchill Project genset for use in L'Anse-au-Loup, relocation of Unit 2082 from L'Anse-au-Loup to Charlottetown, and the winterization of Unit 2101 at Charlottetown was approved for \$1.3 million, of which \$45,000 is budgeted for 2023.

⁵⁷ The Board approved (\$0.3) million of CIACs relating to the Upstream Capacity Charge, with spend and corresponding CIACs to be received subsequent to 2023.

1 In addition, there were CIACs carried forward from the 2022 capital program and supplemental CIACs
 2 approved by the Board totalling \$3 million. The 2023 capital budget as at March 31, 2023, net of CIACs,
 3 was \$137 million.

4 **6.2 Capital Expenditures**

5 Table 24 provides an overview of Hydro's capital expenditures for the current quarter, which were
 6 consistent with Hydro's budget.

Table 24: Capital Expenditures Overview for the Quarter Ended March 31, 2023 (\$'000)⁵⁸

	Board- Approved Budget 2023	Q1 Actual 2023	YTD Actual 2023	Expected Remaining Expenditures 2023
Generation	36,684	1,764	1,764	34,920
Transmission and Rural Systems	70,417	9,602	9,602	60,815
General Properties	10,067	2,723	2,723	7,344
Allowance for Unforeseen Expenditures	1,000	-	-	1,000
Subtotal	118,169	14,090	14,090	104,079
Projects Approved by Board Order ⁵⁹	21,907	3,976	3,976	17,931
New Projects less than \$50,000 approved by Hydro ⁶⁰	75	45	45	30
Total 2023^{61,62}	140,150	18,111	18,111	122,039
Costs excluded from Capital Reporting:				
FEED costs ⁶³	-	(53)	(53)	-

⁵⁸ Numbers may not add due to rounding.

⁵⁹ The Projects Approved by Board Order is comprised of \$9.3 million, which was approved for 2023 spend and \$12.6 million, which was previously approved and carried forward.

⁶⁰ The New Projects less than \$50,000 approved by Hydro was previously approved and carried forward.

⁶¹ Expenditures are before CIACs.

⁶² Table 24 does not include modifications to Hydro's infrastructure due to implementation of the Muskrat Falls Project, given that all aspects of incorporation of the Muskrat Falls Project are fully funded by the project (Labrador Hydro Project Exemption Order-in-Council OC2000-206 and OC2013-342, NLR 120/13). Expenditures related to these modifications were approximately \$58,000 in the current quarter.

⁶³ These costs represent FEED costs incurred. The credit balance relates to the transfer of costs from FEED to approved capital projects, which is partially offset by FEED expenditures during the period.

1 **6.3 2023 Capital Projects Progress**

2 Hydro’s approved, planned capital projects continue to advance through stages of planning, design,
 3 procurement, and construction. It is typical for most of Hydro’s capital construction activity to take place
 4 in the second, third, and fourth quarters each year. Additionally, throughout the year, certain unplanned
 5 capital work arises that must be addressed (“break-in work”), which may have an impact on the amount
 6 of planned work that can be performed. Hydro’s actual and forecast expenditures relative to approved
 7 budget are provided in Chart 13.

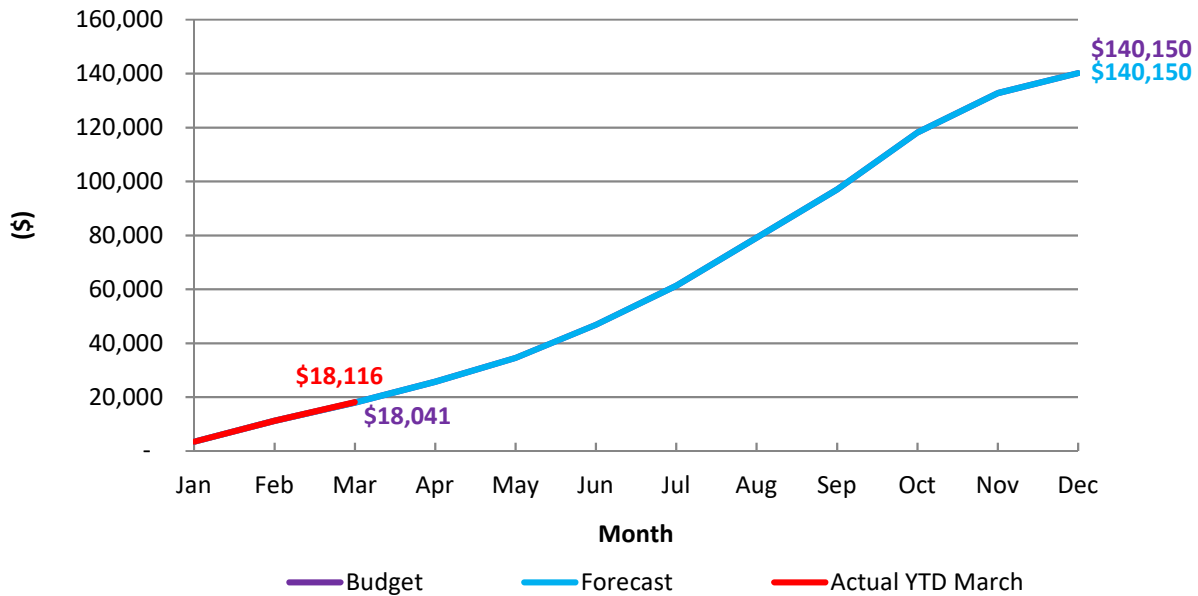


Chart 13: 2023 Capital Program Forecast vs Budget

8 A high-level summary of the planned and break-in construction activities completed during the current
 9 quarter are provided in Table 25.

Table 25: Highlights of Planned and Break-In Work Completed

	Planned Work Q1 2023	Break-In Work Q1 2023
Hydraulic Generation	Annunciator components were replaced in Powerhouse 1 at the Bay d'Espoir Hydroelectric Generating Facility.	The Victoria Control Structure building was replaced following damage from a severe weather event.
Thermal Generation	The Unit 3 west side general service cooling water tube bundle was replaced at the Holyrood TGS.	
Terminal Stations	The failed Bay d'Espoir Transformer T5 was refurbished to serve as a spare transformer for nine hydraulic generating units.	
Telecontrol	Remote terminal units were replaced for telecommunications systems at the Grandy Brook, Deer Lake and Cow Head Terminal Stations. Network communications equipment was installed at various locations.	
Transportation	Four heavy-duty vehicles and two wide track snowmobiles were procured.	
Administration	Elevator upgrades at Hydro Place were completed.	

1 **6.4 Integrated Annual Work Plan**

2 Hydro has an Integrated Annual Work Plan consisting of capital and maintenance work for its
 3 generation, transmission and distribution, and other associated assets. Hydro's 2023 Integrated Annual
 4 Work Plan completion target is 90%. As of the end of the quarter, Hydro had completed approximately
 5 20% of forecasted planned activities for the year. Results for Annual Work Plan activities are provided in
 6 Table 26.

Table 26: Annual Work Plan Activity

Planned	YTD Actual		2023 Forecast		
	Completed	%	Baseline	Scheduled	%
1,411	1,411	100.0	6,874	6,874	100.0

1 7.0 Financial

2 7.1 Statement of Income

First Quarter			Year-to-Date			Annual	
2023 Actual	2023 Budget	2022 Actual	2023 Actual	2023 Budget	2022 Actual	2023 Budget	
			Revenue				
229,393	228,378	229,225	229,393	228,378	229,225	636,290	
8,275	1,434	5,318	8,275	1,434	5,318	5,795	
237,668	229,812	234,543	237,668	229,812	234,543	642,085	
			Expenses				
36,467	33,263	32,329	36,467	33,263	32,329	136,146	
126,105	122,181	122,662	126,105	122,181	122,662	244,857	
-	-	-	-	-	-	-	
18,597	15,828	18,255	18,597	15,828	18,255	54,786	
19,887	19,964	22,574	19,887	19,964	22,574	87,597	
531	539	504	531	539	504	2,157	
21,404	22,479	22,038	21,404	22,479	22,038	85,174	
222,991	214,254	218,362	222,991	214,254	218,362	610,717	
14,677	15,558	16,181	14,677	15,558	16,181	31,368	
			Net Income				

3 Net income for the three months ended March 31, 2023 was \$14.7 million compared to \$16.1 million for
 4 the same period in 2022, a decrease of \$1.4 million and relatively consistent period-over-period.

5 8.0 People and Community

6 8.1 Diversity and Inclusion

7 8.1.1 International Women's Day

8 Each year Hydro recognizes International Women's Day as part of the global recognition of women's
 9 achievements, acknowledgment of the ongoing challenges of women and girls everywhere and as a call
 10 to action to celebrate women's equality. We utilize the annual theme to educate our employees. This
 11 year's theme, #EmbraceEquity, recognized that equity isn't just a nice-to-have, it's a must-have and that
 12 everyone, everywhere has a part to play. To expand on this theme we focused on the difference
 13 between equity and equality and invited employees to share how they embrace equity in their day-to-
 14 day lives and in their community. We also hosted Lesley Parrott—a passionate equity, diversity and
 15 inclusion leader—who talked with us about equity, why everyone needs it and how we all have a role to
 16 play.

1 **8.1.2 Information Sharing**

2 On March 22, 2023, we marked the beginning of Ramadan through communication with our employees.
3 With this messaging, we educated employees on what Ramadan can mean to our Muslim employees
4 and how non-Muslim employees can support others in their observances.

5 On March 31, 2023, we recognized International Transgender Day of Visibility, which celebrates
6 transgender individuals, their achievements and the hard-earned progress that has been made towards
7 equity for the transgendered community. We shared information and resources with employees and
8 encouraged them to renew commitment to educating themselves on transgender issues and oppose
9 transphobia in all its forms.

10 **8.2 Community Initiatives**

11 Hydro regularly supports organizations throughout the province in communities where employees and
12 our customers live and work. During the current quarter, Hydro continued to work closely with our
13 community partners and supported several important community initiatives on the island and in
14 Labrador.

15 **8.2.1 Supporting Communities and Athletes at the**
16 **2023 Labrador Winter Games**

17 In early March 2023, Hydro was proud to be a key sponsor for
18 the 2023 Labrador Winter Games (“Games”). Held every three
19 years in Happy Valley-Goose Bay, the Games bring together
20 peoples from all regions of Labrador, with more than 500
21 athletes compete in a series of traditional and modern events
22 that celebrate local cultures.

23 This year the Games were held March 12, 2023 to
24 March 18, 2023 and it marked the first year the Games
25 returned to Labrador following the pandemic. Hydro
26 employees were proud to support, attend and participate in
27 the games, helping to make possible this significant,
28 community-building event in Labrador.



1 **8.2.2 Helping Community Organizations Operate Safely**

2 In February 2023, Hydro was able to contribute to the health and safety of two community partners
3 through a donation of hand sanitizer. The sanitizer, originally purchased during the height of the
4 pandemic, would otherwise have expired before it was required again for our operations. Through
5 Hydro’s community program, more than 300 individual-sized bottles were donated to the Jimmy Pratt
6 Memorial Soup Kitchen for their guests and to the Gathering Place for their staff and volunteers—
7 supporting these organizations and members of our community in need.

8 **8.2.3 Helping Families Stay Close at Ronald McDonald House in Newfoundland and**
9 **Labrador**

10 Hydro has been a long-time partner of Ronald McDonald
11 House (“RMH”) Charities Newfoundland and Labrador,
12 supporting the RMH through volunteering, in-kind and
13 financial contributions since it opened in 2012. In
14 February 2023, Hydro was proud to join RMH as they
15 celebrated the tenth anniversary of the RMH with a
16 fundraising gala. Funds raised support the children and
17 families who call RMH home while undergoing medical
18 treatment at the Janeway.



19 Later in the current quarter, Hydro employees again stepped up to support Ronald McDonald House and
20 families from this province, volunteering and recording pledges during their annual spring radiothon
21 held in March 2023 at the Avalon Mall.

22 **8.3 Other**

23 **8.3.1 Ramea Update**

24 In Board Order No. P.U. 31(2007), the Board directed Hydro to provide quarterly updates on the Ramea
25 Wind-Hydrogen-Diesel project as part of its quarterly report to the Board.⁶⁴

⁶⁴ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 31(2007), Board of Commissioners of Public Utilities, November 30, 2007, p. 3/35–38.

1 On March 22, 2023, Hydro filed an application proposing to decommission the hydrogen components of
 2 the Wind-Hydrogen-Diesel System, as they are not used or useful and their removal will not adversely
 3 affect the reliability of the service Hydro provides.⁶⁵ Hydro advised that the wind farm assets that form
 4 part of the Wind-Hydrogen-Diesel System will remain in place while Hydro continues to pursue
 5 partnership opportunities with independent power producers. A further application will be made once
 6 there is a finalized plan regarding these assets. Hydro’s application to decommission the hydrogen
 7 components was approved in Board Order No. P.U. 10(2023).⁶⁶

8 **8.3.2 Capital Costs**

9 There will be no future capital expenditures incurred for the Ramea Wind-Hydrogen-Diesel Generation
 10 project. The decommissioning of the hydrogen components will be a non-regulated expense.

11 **8.3.3 Operating Costs**

12 The operating costs shown in Table 27 relate to work performed on the three wind turbines. These costs
 13 are not recovered from Hydro’s customers.

Table 27: Operating Costs for Q1 2023 (\$)

Approved 2023 Budget	Actual	Total Commitments
-	-	-

14 **8.3.4 Reliability and Safety Issues**

15 The wind turbines were not operational during the current quarter and there are no safety issues to
 16 report.

⁶⁵ “Application for Consent to the Abandonment of the Hydrogen System Portion of the Ramea Wind-Hydrogen-Diesel Generation Project,” Newfoundland and Labrador Hydro, March 22, 2023.

⁶⁶ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 10(2023), Board of Commissioners of Public Utilities, April 18, 2023.

Appendix A

Power Outages Reported to the Board of Commissioners
of Public Utilities



Power Outages

Table A-1: Power Outages Reported to the Board for the Current Quarter

Date	Area Affected	Cause	Customers Affected	Duration
23-Jan-2023	Fogo Island	Defective Equipment	1,557	4 hours, 9 minutes
23-Jan-2023	Newfoundland Power Customers	Adverse Weather and UFLS	Up to 20,307	Up to 57 minutes
26-Jan-2023	Northern Peninsula	Adverse Weather	7,853	6 hours, 4 minutes

Appendix B

Major Events Excluded From Performance Index Tables



Major Events

Table B-1: Major Events Excluded From Performance Index Tables¹

Year	Event Description	End Customer		Service Continuity		Transmission	
		SAIDI	SAIFI	SAIDI	SAIFI	T-SAIDI	T-SAIFI
2023	No major events	N/A	N/A	N/A	N/A	N/A	N/A
	TL214 outage due to extreme winds	0.26	0.03	0.00	0.00	35.67	0.03
2022	Great Northern Peninsula outage ²	0.38	0.03	2.93	0.20	91.92	0.23
	Connaigre Peninsula outage due to freezing rain	0.24	0.01	1.81	0.06	0.00	0.00
2021	No major events	N/A	N/A	N/A	N/A	N/A	N/A
2020	Winter storm affecting Change Islands/Fogo	0.09	0.01	0.71	0.09	0.00	0.00
2019	No major events	N/A	N/A	N/A	N/A	N/A	N/A
	Windstorm affecting TL214 on the southwest coast of the Newfoundland	0.17	0.00	0.00	0.00	11.89	0.00
2018	Landslide affecting the Glenburnie System on the Great Northern Peninsula	0.06	0.00	3.55	0.22	25.50	0.11

¹ Data for 2023 reflects major events to the end of the current quarter. Data for 2018–2022 reflects major events experienced through the year.

² In its Quarterly Regulatory Report for the Quarter Ended March 31, 2022, Hydro had included this outage within the reliability indicators. It was subsequently reclassified as a major event and excluded from the first quarter 2022 reliability indicators.

Appendix C

Generation Unit Outages



January 2023

Plant	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
Bay d'Espoir	G1 (76.5 MW)																																	
	G2 (76.5 MW)																																	
	G3 (76.5 MW)																																	
	G4 (76.5 MW)																																	
	G5 (76.5 MW)																																	
	G6 (76.5 MW)																																	
	G7 (154.4 MW)																																	
Upper Salmon	(84 MW)																																	
Granite Canal	(40 MW)																																	
Hinds Lake	(75 MW)																																	
Paradise River	(8 MW)																																	
Cat Arm	G1 (67 MW)																																	
	G2 (67 MW)																																	
Holyrood	G1 (170 MW)																																	
	G2 (170 MW)																																	
	G3 (150 MW)																																	
Holyrood	GT (123.5 MW)																																	
Holyrood	Diesels (10 MW)																																	
Hardwoods	GT (50 MW)																																	
Stephenville	GT (50 MW)																																	
St. Anthony	(9.7 MW)																																	
Hawkes Bay	(5 MW)																																	

Available
 Available Derated
 Unavailable

February 2023

Plant	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
Bay d'Espoir	G1 (76.5 MW)																													
	G2 (76.5 MW)																													
	G3 (76.5 MW)																													
	G4 (76.5 MW)																													
	G5 (76.5 MW)																													
	G6 (76.5 MW)																													
	G7 (154.4 MW)																													
Upper Salmon	(84 MW)	60	60	60	60	60																								
Granite Canal	(40 MW)	20	20	20	20	20	32	32	32	32	32	32	32	32	32	32	32	32												
Hinds Lake	(75 MW)																													
Paradise River	(8 MW)																													
Cat Arm	G1 (67 MW)																													
	G2 (67 MW)																													
Holyrood	G1 (170 MW)																													
	G2 (170 MW)		145																											
	G3 (150 MW)		120																			70								
Holyrood	GT (123.5 MW)																													
Holyrood	Diesels (10 MW)																													
Hardwoods	GT (50 MW)																									25				
Stephenville	GT (50 MW)		25																											
St. Anthony	(9.7 MW)	8.7																												
Hawkes Bay	(5 MW)																													

Available
 Available Derated
 Unavailable

March 2023

Plant	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31			
Bay d'Espoir	G1 (76.5 MW)																																		
	G2 (76.5 MW)																																		
	G3 (76.5 MW)																																		
	G4 (76.5 MW)																																		
	G5 (76.5 MW)																																		
	G6 (76.5 MW)																																		
	G7 (154.4 MW)																																		
Upper Salmon	(84 MW)																																		
Granite Canal	(40 MW)																																		
Hinds Lake	(75 MW)																																		
Paradise River	(8 MW)																																		
Cat Arm	G1 (67 MW)																																		
	G2 (67 MW)																																		
Holyrood	G1 (170 MW)																																		
	G2 (170 MW)																																		
	G3 (150 MW)																																		
Holyrood	GT (123.5 MW)																																		
Holyrood	Diesels (10 MW)																																		
Hardwoods	GT (50 MW)																																		
Stephenville	GT (50 MW)																																		
St. Anthony	(9.7 MW)																																		
Hawkes Bay	(5 MW)																																		

	Available
	Available Derated
	Unavailable

Appendix D

Financial Schedules



Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Balance Sheet - Regulated Operations
as at March 31, 2023
(\$000)¹**

Assets	March 2023	March 2022
Current Assets		
Cash and Cash Equivalents	196,299	32,339
Accounts Receivable	111,712	104,786
Current Portion of Sinking funds	9,966	-
Inventory	90,051	88,969
Due from Related Parties	1,216	10,994
Prepaid Expenses	11,672	12,458
Related Party Note Receivable	25,394	2,404
Promissory Note - Non-Regulated	-	6,657
	446,310	258,607
Property, Plant, and Equipment	2,246,225	2,213,743
Intangible Assets	5,463	6,070
Sinking Funds	196,765	196,777
Right-of-Use Assets	2,452	2,480
Regulatory Assets	383,911	226,412
Long-Term Receivable	253	219
	3,281,379	2,904,308
Total Assets	3,281,379	2,904,308
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	78,176	97,512
Accrued Interest	23,656	23,633
Current Portion of Long-Term Debt	6,650	6,650
Deferred Credits	2,839	4,676
Current Portion of Deferred Contributions	993	1,016
Current Portion of ARO	1,401	1,511
Due to Related Parties	22,117	4,433
Contract Payable	216,169	31,107
Promissory Notes	140,000	-
Promissory Note - Non-Regulated	7,846	-
	499,847	170,538
Deferred Contributions	65,676	54,691
Long-Term Payable	3,050	824
Long-Term Debt	2,031,928	2,041,077
Lease Liability	2,611	2,581
Regulatory Liabilities	7,268	4,076
Asset Retirement Obligations	16,010	13,302
Employee Future Benefits	68,127	94,990
Contributed Capital	100,000	100,000
Retained Earnings	462,597	427,788
Accumulated Other Comprehensive Income (Loss)	24,265	(5,559)
	3,281,379	2,904,308
Total Liabilities and Shareholder's Equity	3,281,379	2,904,308

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Statement of Income - Regulated Operations
for the Three Months Ended March 31, 2023
(\$000)¹**

First Quarter			YTD			Annual
2023 Actual	2023 Budget	2022 Actual	2023 Actual	2023 Budget	2022 Actual	2023 Budget
Revenue						
229,393	228,378	229,225	229,393	228,378	229,225	636,290
8,275	1,434	5,318	8,275	1,434	5,318	5,795
237,668	229,812	234,543	237,668	229,812	234,543	642,085
Expenses						
36,467	33,263	32,329	36,467	33,263	32,329	136,146
126,105	122,181	122,662	126,105	122,181	122,662	244,857
-	-	-	-	-	-	-
18,597	15,828	18,255	18,597	15,828	18,255	54,786
19,887	19,964	22,574	19,887	19,964	22,574	87,597
531	539	504	531	539	504	2,157
21,404	22,479	22,038	21,404	22,479	22,038	85,174
222,991	214,254	218,362	222,991	214,254	218,362	610,717
14,677	15,558	16,181	14,677	15,558	16,181	31,368
Net Income			Net Income			Net Income

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Statement of Comprehensive Income - Regulated Operations
for the Three Months Ended March 31, 2023
(\$000)¹**

First Quarter				YTD		
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual
14,677	15,558	16,181	Net Income	14,677	15,558	16,181
			Other Comprehensive Income			
(508)	-	-	Employee Future Benefit Actuarial Loss	(508)	-	-
14,169	15,558	16,181	Total Comprehensive Income	14,169	15,558	16,181

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Statement of Cash Flows - Regulated Operations
for the Three Months Ended March 31, 2023
(\$000)¹

	YTD	
	2023	2022
Operating Activities		
Net Income	14,677	16,181
Adjusted for Items not Involving Cash Flow		
Amortization of Property, Plant and Equipment	19,887	22,574
Accretion of Asset Retirement Obligation and Long-Term Debt	522	344
Amortization of Deferred Contributions	(548)	(560)
Employee Future Benefits	546	992
Loss on Disposal of Property, Plant and Equipment	-	-
Other	(3,974)	(3,141)
	31,110	36,390
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(14,665)	2,654
Inventory	8,941	(4,816)
Long-Term Receivable	-	-
Prepaid Expenses	(5,965)	(6,294)
Regulatory Assets	120,437	(61,957)
Regulatory Liabilities	49	854
Accounts Payable and Accrued Liabilities	(30,294)	35,206
Contract Payable	50,703	13,534
Long-Term Payable	2,226	-
Accrued Interest	(1,706)	(1,706)
Due to/from Related Parties	5,579	(6,645)
	166,415	7,220
Financing Activities		
Decrease in Long-Term Receivable	4	15
(Increase) Decrease in Deferred Credits	(172)	2,144
Increase in Deferred Capital Contribution	2,510	195
Increase (decrease) in Promissory Notes	19,558	(46,845)
Issuance of Long-Term Debt	-	-
Long-Term Debt Retired	-	-
RSP Fuel Credit	-	-
RSP Refund	-	-
	21,900	(44,491)
Investing Activities		
Additions to Property, Plant and Equipment	(19,489)	(11,247)
Removal Costs	(117)	(22)
Proceeds on Disposal	0	13
Additions to Intangible Assets	0	(1)
Increase in Sinking Funds	(2,400)	(2,400)
Decrease in Related Party Note Receivable	4,271	50,816
Changes in Non-Cash Working Capital Balances	9,452	(9,335)
	(8,283)	27,824
Net Increase (Decrease) in Cash	180,032	(9,447)
Cash Position, Beginning of Period	16,267	41,786
Cash Position, End of Period	196,299	32,339

¹Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

Revenue Summary - Regulated Operations for the Three Months Ended March 31, 2023 (\$000)¹

First Quarter			YTD			Annual
2023 Actual	2023 Budget	2022 Actual	2023 Actual	2023 Budget	2022 Actual	2023 Budget
			Industrial			
7,587	9,981	8,144	7,587	9,981	8,144	39,835
3,743	409	3,323	3,743	409	3,323	23,552
<u>11,330</u>	<u>10,390</u>	<u>11,467</u>	<u>11,330</u>	<u>10,390</u>	<u>11,467</u>	<u>63,387</u>
			Utility			
189,381	191,692	170,712	189,381	191,692	170,712	489,442
2,163	-	19,784	2,163	-	19,784	-
<u>191,544</u>	<u>191,692</u>	<u>190,496</u>	<u>191,544</u>	<u>191,692</u>	<u>190,496</u>	<u>489,442</u>
26,829	26,296	27,262	26,829	26,296	27,262	83,461
(310)	-	-	(310)	-	-	-
			Other Revenue			
187	129	167	187	129	167	517
-	-	-	-	-	-	-
399	402	406	399	402	406	1,611
548	510	560	548	510	560	2,098
6,776	-	3,813	6,776	-	3,813	-
-	-	-	-	-	-	-
365	393	372	365	393	372	1,569
<u>8,275</u>	<u>1,434</u>	<u>5,318</u>	<u>8,275</u>	<u>1,434</u>	<u>5,318</u>	<u>5,795</u>
<u>237,668</u>	<u>229,812</u>	<u>234,543</u>	<u>237,668</u>	<u>229,812</u>	<u>234,543</u>	<u>642,085</u>

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

² Industrial load represents the revenue load variance recognized through the Supply Cost Variance Deferral Account.

³ Utility load represents the revenue load variance recognized through the Supply Cost Variance Deferral Account.

⁴ Export Energy results from the sale of energy in excess of customer load requirements to external markets based on the availability of Lower Churchill Project assets. The balance in Q1 2023 represents an adjustment to the estimation of export energy monetization revenue calculation completed at December 31, 2022.

⁵ Recovery of Supply Power includes sales of emergency energy to Nova Scotia Power and recovery of costs incurred by Hydro as a result of advanced delivery of the Nova Scotia Block to Emera.

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Supplementary Schedule - Regulated Operations
for the Three Months Ended March 31, 2023
(\$000)¹**

First Quarter				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
Interest							
Interest Income							
3,480	3,415	3,304	Interest on Sinking Fund	3,480	3,415	3,304	14,034
989	591	560	Other Interest Income	989	591	560	3,105
4,469	4,006	3,864	Total Interest Income	4,469	4,006	3,864	17,139
Interest Expense							
24,431	24,431	24,431	Interest on Long-Term Debt	24,431	24,431	24,431	97,725
1,684	2,211	(56)	Interest on Short-Term Debt ²	1,684	2,211	(56)	11,741
2,199	2,241	2,176	Debt Guarantee Fee	2,199	2,241	2,176	8,963
522	364	344	Accretion	522	364	344	1,500
(691)	(689)	(701)	RSP Interest	(691)	(689)	(701)	(2,937)
(2,036)	(1,903)	(163)	SCVDA Interest ³	(2,036)	(1,903)	(163)	(12,950)
13	12	11	Other	13	12	11	50
26,122	26,667	26,042	Total Interest Expense	26,122	26,667	26,042	104,092
(249)	(182)	(140)	Interest Capitalized during Construction	(249)	(182)	(140)	(1,779)
25,873	26,485	25,902		25,873	26,485	25,902	102,313
21,404	22,479	22,038	Net Interest Expense	21,404	22,479	22,038	85,174

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

² Interest on Short-Term Debt has been broken out as a separate line item. Previously, this balance had been included in Other under Interest Expense.

³ Supply Cost Variance Deferral Account ("SCVDA") Interest has been broken out as a separate line item. Previously, this balance had been included in Other under Interest Expense.

Balance Sheet – Non-Regulated Activities
as at March 31, 2023
(\$000)¹

	March	
	2023	2022
Assets		
Current Assets		
Accounts Receivable	6,331	6,785
Prepaid Expenses	321	296
Deferred Assets	64,267	37,104
Promissory Note Receivable	7,846	-
Due from Related Party	3,468	4,166
	82,233	48,351
Property, plant, and equipment		-
Investment in CF(L)Co ²	720,608	669,737
Total Assets	802,841	718,088
 Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	4,408	3,243
Due to Related Party	20,370	9,054
Promissory Note	-	6,657
Derivative Liabilities	58,197	54,643
	82,975	73,597
Employee Future Benefits	3,240	4,539
Share Capital	22,504	22,504
Lower Churchill Development Corporation	15,400	15,400
Retained Earnings	671,723	603,571
Accumulated Other Comprehensive Income (Loss)	6,999	(1,523)
Total Liabilities and Shareholder's Equity	802,841	718,088

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

² Churchill Falls (Labrador) Corporation ("CF(L)Co").

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Statement of Income - Non-Regulated Activities
for the Three Months Ended March 31, 2023
(\$000)¹**

First Quarter				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
			Revenue				
16,949	16,713	16,253	Energy Sales	16,949	16,713	16,253	58,322
4,715	5,253	2,347	Other Revenue	4,715	5,253	2,347	21,011
21,664	21,966	18,600		21,664	21,966	18,600	79,333
			Expenses				
526	205	(215)	Operating Costs	526	205	(215)	814
-	-	-	Fuels	-	-	-	-
4,716	5,253	2,347	Transmission Rental	4,716	5,253	2,347	21,010
13,528	12,412	12,844	Power Purchased	13,528	12,412	12,844	50,851
-	-	-	Interest	-	-	-	-
(6,071)	-	17,539	Other (Income) Expense ²	(6,071)	-	17,539	-
12,699	17,870	32,515		12,699	17,870	32,515	72,675
8,965	4,096	(13,915)	Net Operating Income	8,965	4,096	(13,915)	6,658
			Other Revenue				
17,630	18,308	16,737	Equity in CF(L)Co	17,630	18,308	16,737	41,283
2,685	2,291	2,533	Preferred Dividends	2,685	2,291	2,533	11,399
20,315	20,599	19,270		20,315	20,599	19,270	52,682
29,280	24,695	5,355	Net Income	29,280	24,695	5,355	59,340

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

² The balance in Other Expense is related to the fair value valuation of the Energy Marketing - Hydro Power Purchase agreement derivative liability and associated gains and losses as a result of changes in forecasted energy prices.

**Statement of Retained Earnings - Non-Regulated Activities
for the Three Months Ended March 31, 2023
(\$000)¹**

First Quarter			YTD	
2023 Actual	2022 Actual		2023 Actual	2022 Actual
645,843	603,496	Balance, Beginning of Period	645,843	603,496
29,280	5,355	Net Income	29,280	5,355
(3,400)	(5,280)	Dividends	(3,400)	(5,280)
671,723	603,571	Balance, End of Period	671,723	603,571

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Quarterly Summary for the Quarter Ended March 31, 2023, Appendix D

**Statement of Comprehensive Income – Non-Regulated Activities
for the Three Months Ended March 31, 2023**

(\$000)¹

First Quarter				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
29,280	24,695	5,355	Net Income	29,280	24,695	5,355	59,340
			Other Comprehensive Income				
-	-	-	Actuarial gain on employee benefits liability	-	-	-	-
505	-	(1,323)	Share of CF(L)Co other Comprehensive Income and Other	505	-	(1,323)	-
29,785	24,695	4,032	Total Comprehensive Income	29,785	24,695	4,032	59,340

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

**Statement of Cash Flows - Non-Regulated Activities
for the Three Months Ended March 31, 2023**

(\$000)¹

	YTD	
	2023	2022
Operating Activities		
Net Income	29,280	5,355
Adjusted for Items not Involving Cash Flow		
Employee Future Benefits	89	121
Equity in CF(L)Co	(17,630)	(16,737)
Other	(6,069)	17,538
	5,670	6,277
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	1,835	2,578
Accounts Payable and Accrued Liabilities	557	17
Due to/from Related Parties	4,898	4,248
Prepaid Expenses	318	296
	13,278	13,416
Financing Activities		
Decrease in Promissory Notes	(10,557)	(8,155)
Dividends	(3,400)	(5,280)
	(13,957)	(13,435)
Investing Activities		
	-	-
Changes in Non-Cash Working Capital Balances	679	19
	679	19
Net Change in Cash	-	-
Cash Position, Beginning of Period	-	-
Cash Position, End of Period	-	-

¹ Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Attachment 1

Rate Stabilization Plan Report

Quarter Ended March 31, 2023



**Newfoundland and Labrador Hydro
Rate Stabilization Plan Report
March 31, 2023**

Summary of Key Facts

The Rate Stabilization Plan ("RSP") of Newfoundland and Labrador Hydro ("Hydro") was established for Hydro's Utility customer, Newfoundland Power Inc. ("Newfoundland Power") and Island Industrial Customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 Fuel cost at Hydro's Holyrood Thermal Generating Station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

In Board Order No. P.U. 33(2021), the Board of Commissioners of Public Utilities ("Board") approved the Supply Cost Variance Deferral Account to deal with future supply cost variances on the Island Interconnected System beginning in the month in which Hydro was required to begin payments under the Muskrat Falls Purchase Power Agreement (i.e., November 2021). The approval of the Supply Cost Variance Deferral Account discontinued transfers to the RSP, effective as of the implementation of the Supply Cost Variance Deferral Account, resulting from variations in future costs associated with the Test Year Cost of Service estimates for the items listed above. However, the Board directed that the RSP balances be maintained for the transparent and timely recovery of historical balances. The rules provide for the disposition of historical balances in accordance with the RSP Rules previously approved by the Board in Board Order No. P.U. 4(2022).

The Isolated System Supply Costs Deferral Account was approved for recovery from the Utility Current Plan balance as of March 31 in Board Order No. P.U. 7(2023). The recovery of the Isolated System Supply Costs is reflected in this March 31, 2023 Report but not in the Quarterly Financial Statements for the same period.

Finance charges are calculated on the balances using the test year weighted average cost of capital, which is currently 5.43% per annum.

Rate Stabilization Plan
Net Hydraulic Production Variation
March 31, 2023

	A	B1	B2	B3	B	C	D	E	F	G	H
	Cost of Service	Actual Net Hydraulic Production	Net Pondered Energy (kWh)	Spill Exports (kWh)	Net Hydraulic Production for Variance Calculation (kWh)	Monthly Net Hydraulic Production Variance (kWh)	Cost of Service No. 6 Fuel Cost (\$CDN/bbl)	Net Hydraulic Production Variation (\$)	Financing Charges (\$)	Transfers	Cumulative Variation and Financing Charges (\$)
	(kWh)	(kWh)	(kWh)	(kWh)	(B1 + B2 - B3)	(A - B)	(C / O ¹ X D)	(C / O ¹ X D)	(E + F)		(E + F)
Opening Balance	-	-	-	-	-	-	105.90	-	131,498	-	29,908,221
Adjustment	-	-	-	-	-	-	105.90	-	132,079	-	30,040,300
Adjusted Opening Balance	-	-	-	-	-	-	105.90	-	132,662	-	30,172,962
January	-	-	-	-	-	-	105.90	-	131,498	-	29,908,221
February	-	-	-	-	-	-	105.90	-	132,079	-	30,040,300
March	-	-	-	-	-	-	105.90	-	132,662	-	30,172,962
April	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-
Year-to-Date	-	-	-	-	-	-	-	-	396,239	-	30,172,962

¹ O is the Holyrood Operating Efficiency of 583 kWh/bbl, reference Board Order No. P.U. 16(2019) at p. 19.

Rate Stabilization Plan
Summary of Utility Customer
March 31, 2023

	A	B	C	D	E	F	G	H
	Load	Allocation	Allocation	Subtotal	Financing	Adjustment ¹	Transfers ²	Cumulative
	Variation	Fuel Variance	Rural Rate	Monthly	Charges	Adjustment ¹	Transfers ²	Net
	(\$)	(\$)	Alteration	Variations	(\$)	(\$)	(\$)	Balance
			(\$)	(\$)				(\$)
	(A + B + C)							
Opening Balance								(to page 5)
Adjustment								16,963,988
Adjusted Opening Balance								16,963,988
January	-	-	-	-	74,915	147,973	-	17,186,876
February	-	-	-	-	75,900	157,693	-	17,420,469
March	-	-	-	-	76,931	153,873	8,685,251	26,336,524
April								
May								
June								
July								
August								
September								
October								
November								
December								
Year-to-Date	-	-	-	-	227,746	459,539	8,685,251	9,372,536
Hydraulic Allocation (from page 2)								-
Total	-	-	-	-	227,746	459,539	8,685,251	26,336,524

¹ Effective July 1, 2022, the RSP Adjustment rate is (0.023) cents per kWh as per Board Order No. P.U. 19(2022).

² Recovery of the Isolated Systems Supply Costs Deferral was approved in Board Order No. P.U. 7(2023).

Rate Stabilization Plan
Summary of Industrial Customers
March 31, 2023

	A	B	C	D	E	F	G
	Load	Allocation	Subtotal	Financing	Adjustment ¹	Transfers	Cumulative
	Variation	Fuel Variance	Monthly	Charges		(\$)	Net
	(\$)	(\$)	Variations	(\$)	(\$)	(\$)	Balance
			(\$)				(\$)
	(A + B)						
Opening Balance							(to page 5)
Adjustment							5,549,727
Adjusted Opening Balance							5,549,727
January	-	-	-	24,508	(474,453)	-	5,099,782
February	-	-	-	22,521	(497,882)	-	4,624,421
March	-	-	-	20,422	(502,649)	-	4,142,194
April							
May							
June							
July							
August							
September							
October							
November							
December							
Year-to-Date	-	-	-	67,451	(1,474,984)	-	(1,407,533)
Hydraulic Allocation (from page 2)							-
Total	-	-	-	67,451	(1,474,984)	-	4,142,194

¹ Effective January 1, 2023, the RSP Adjustment rate is 1.4770 cents per kWh as per Board Order No. P.U. 3(2023).

Rate Stabilization Plan
Overall Summary
March 31, 2023

	A	B	C	D
	Hydraulic Balance (\$)	Utility Balance (\$)	Industrial Balance (\$)	Total To Date (\$)
	(from page 2)	(from page 3)	(from page 4)	(A + B + C)
Opening Balance	29,776,723	16,963,988	5,549,727	52,290,438
Adjustments	-	-	-	-
Adjusted Opening Balance	29,776,723	16,963,988	5,549,727	52,290,438
January	29,908,221	17,186,876	5,099,782	52,194,879
February	30,040,300	17,420,469	4,624,421	52,085,190
March	30,172,962	26,336,524	4,142,194	60,651,680
April				
May				
June				
July				
August				
September				
October				
November				
December				

Attachment 2

Supply Cost Variance Deferral Account Report

Quarter Ended March 31, 2023



Newfoundland and Labrador Hydro
Supply Cost Variance Deferral Account
March 31, 2023

Summary of Key Facts

In Board Order No. P.U. 33(2021), the Board of Commissioners of Public Utilities ("Board") approved Newfoundland and Labrador Hydro's ("Hydro") proposal to establish an account to defer payments under the Muskrat Falls Project agreements, rate mitigation funding, project cost recovery from customers and supply cost variances.

In Board Order No. P.U. 4(2022), the Board approved the Supply Cost Variance Deferral Account definition with an effective date of November 1, 2021.

The Cost Variance Threshold of +/- \$500,000 on the Other Island Interconnected System Supply Cost Variance component commenced January 1, 2022. This avoided duplication of the Cost Variance Threshold already applied to the Revised Energy Supply Cost Variance Deferral Account as of October 31, 2022.

Financing charges accrued at the 2022 short-term cost of borrowing of 4.32% for the period of January to November 2023. In December, financing costs will be trued up to reflect the actual short-term cost of borrowing for 2023.

Supply Cost Variance Deferral Account
Summary
March 31, 2023

	Supply Cost Variance Deferral Account Balance (\$) ¹ (from page 3)	Utility Balance (\$) (from page 4)	Industrial Balance (\$) (from page 5)	Total to Date (\$)
Opening Balance	196,185,156	(5,784,457)	-	190,400,699
Adjustment	-	-	-	-
Adjusted Opening Balance	196,185,156	(5,784,457)	-	190,400,699
January	207,626,354	(6,387,985)	-	201,238,369
February	192,413,524	(7,469,300)	-	184,944,224
March	20,708,246	(8,219,619)	-	12,488,627
April				
May				
June				
July				
August				
September				
October				
November				
December				

¹ In March 2023, Government provided \$190.4 million for the purpose of mitigating projected future customer rate increases that would be required to recover net supply costs incurred to the end of 2022.

Supply Cost Variance Deferral Account
Section A: Summary
March 31, 2023

	Muskrat Falls Project Cost Variance (from page 6)		Rate Mitigation Fund ¹ (from page 6)		Project Cost Recovery		Holyrood TGS ³ Fuel Cost Variance (from page 7)		Other IIS ⁴ Supply Cost Variance (from page 8)		Net Revenue From Exports Variance (from page 9)		Transmission Tariff Revenue Variance (from page 10)		Load Variation (from page 11)		Greenhouse Gas Credit Revenue Variance (from page 14)		Subtotal Monthly Variances (from page 14)		Financing Charges			Cumulative Net Balance (\$)	
	Muskrat Falls Project Cost Variance (\$)	Rate Mitigation Fund ¹ (\$)	Utility ² (\$)	Industrial (\$)	Holyrood TGS ³ Fuel Cost Variance (\$)	Other IIS ⁴ Supply Cost Variance (\$)	Net Revenue From Exports Variance (\$)	Transmission Tariff Revenue Variance (\$)	Utility Variance (\$)	Industrial Variance (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)	Other (\$)	Transfers (\$)	Cumulative Net Balance (\$)								
Opening Balance	277,547,131	-	(18,942,087)	-	(65,302,273)	(28,114,785)	(33,075,710)	(10,113,160)	63,550,645	18,294,888	(12,412,517)	191,432,132	(133,641)	4,886,665	-	196,185,156									
Adjusted Opening Balance	277,547,131	-	(18,942,087)	-	(65,302,273)	(28,114,785)	(33,075,710)	(10,113,160)	63,550,645	18,294,888	(12,412,517)	191,432,132	(133,641)	4,886,665	-	196,185,156									
January	19,795,154	-	(5,134,003)	-	(16,219,114)	(789,036)	(499,872)	(862,075)	13,086,281	1,367,244	3,962	10,748,541	(66,877)	759,534	-	207,626,354									
February	19,400,443	-	(5,471,265)	-	(17,767,631)	(4,643,889)	(385,775)	(1,179,438)	(6,743,241)	1,080,034	(235,119)	(15,945,881)	(85,004)	818,055	-	192,413,524									
March	20,390,107	(190,404,321)	(5,338,713)	-	12,517,521	(4,903,144)	(653,913)	(1,107,140)	(4,180,062)	1,295,997	(950)	(172,384,618)	(104,321)	783,661	-	20,708,246									
April																									
May																									
June																									
July																									
August																									
September																									
October																									
November																									
December																									
Year-to-Date	59,585,704	(190,404,321)	(15,943,981)	-	(21,469,224)	(10,336,069)	(1,539,560)	(3,148,653)	2,162,978	3,743,275	(232,107)	(177,581,958)	(256,202)	2,361,250	-	(175,476,910)									
Total	337,132,835	(190,404,321)	(34,886,068)	-	(86,771,497)	(38,450,854)	(34,615,270)	(13,261,813)	65,713,623	22,038,163	(12,644,624)	13,850,174	(389,843)	7,247,915	-	20,708,246									

¹ In March 2023, Government provided \$190.4 million for the purpose of mitigating projected future customer rate increases that would be required to recover net supply costs incurred to the end of 2022.

² As Per Board Order No. P.U. 19(2023), the Board approved a Project Cost Recovery Rider of 0.798 cents per kWh which became effective as of July 1, 2022.

³ Holyrood Thermal Generating Station ("Holyrood TGS").

⁴ Island Interconnected System ("IIS").

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
March 31, 2023

	Allocation Rural Rate Alteration ¹ (\$)	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$)
Opening Balance	(5,625,788)	(158,669)	-	(5,784,457)
Adjustments	-	-	-	-
Adjusted Opening Balance	(5,625,788)	(158,669)	-	(5,784,457)
January	(583,105)	(20,423)	-	(6,387,985)
February	(1,058,761)	(22,554)	-	(7,469,300)
March	(723,948)	(26,371)	-	(8,219,619)
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year-to-Date	(2,365,814)	(69,348)	-	(2,435,162)
Total	(7,991,602)	(228,017)	-	(8,219,619)

¹ 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).

Monthly balances reflect immaterial adjustments.

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 Balance¹
March 31, 2023

	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$)
Opening Balance	-	-	-
January	-	-	-
February	-	-	-
March	-	-	-
April			
May			
June			
July			
August			
September			
October			
November			
December			
Year-to-Date	-	-	-
Total	-	-	-

¹No transactions will be applied to this balance until further approval is obtained from the Board.

Supply Cost Variance Deferral Account
Muskrat Falls Project Cost Variances
March 31, 2023

	Muskrat Falls PPA Charges Actual (\$) (A)	Muskrat Falls PPA Charges Test Year (\$) (A _T)	TFA ¹ Charges Actual (\$) (B)	TFA Charges Test Year (\$) (B _T)	Total Variation (\$) (A - A _T) + (B - B _T)
January	19,795,154	-	-	-	19,795,154
February	19,400,443	-	-	-	19,400,443
March	20,390,107	-	-	-	20,390,107
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	59,585,704	-	-	-	59,585,704

¹ Transmission Funding Agreement ("TFA").

Supply Cost Variance Deferral Account
Holyrood TGS Fuel Cost Variance
March 31, 2023

	Actual Quantity No. 6 Fuel for Non-Firm Sales ¹ (bbl.)	Actual Quantity No. 6 Fuel (bbl.)	Net Quantity No. 6 Fuel (bbl.)	Actual Average No. 6 Fuel Cost (\$Can./bbl)	Actual (\$)	C	Test Year Quantity No. 6 Fuel (bbl.)	Test Year No. 6 Fuel Cost (\$Can./bbl)	Test Year (\$)	C _T	Total Variation (\$)	(C - C _T)
January	2,005	214,813	212,807	132.67	28,378,765		421,132	105.90	44,597,879		(16,219,114)	
February	21,447	188,565	167,117	123.76	20,683,283		363,087	105.90	38,450,913		(17,767,631)	
March	205	253,675	253,470	124.03	31,437,827		178,662	105.90	18,920,306		12,517,521	
April												
May												
June												
July												
August												
September												
October												
November												
December												
Total	23,657	657,052	633,395	127.09	80,499,874		962,881	105.90	101,969,098		(21,469,224)	

Supply Cost Variance Deferral Account
Other IIS Supply Cost Variance Summary
March 31, 2023

	Thermal Variation ¹ (\$)	Off-Island Power Purchase Variation ¹ (\$)	On-Island Power Purchase Variation ¹ (\$)	CBPP ² Firm Energy Variation ¹ (\$)	Current Month Variation (\$)	Year-to-Date Variation (\$)	Cost Variance Threshold ³ (\$)	Other IIS Supply Cost Variance (\$)
	(D)	(E)	(F)	(G)	(D + E + F + G)			
January	(353,737)	(477,034)	(458,265)	-	(1,289,036)	(1,289,036)	(500,000)	(789,036)
February	(1,491,966)	(2,610,139)	(541,784)	-	(4,643,889)	(5,932,925)	(500,000)	(5,432,925)
March	1,200,423	(5,919,829)	(183,738)	-	(4,903,144)	(10,836,069)	(500,000)	(10,336,069)
April								
May								
June								
July								
August								
September								
October								
November								
December								
Total	(645,280)	(9,007,002)	(1,183,787)	-	(10,836,069)			

¹ The calculation of the variation by source is provided in Appendix A.

² Corner Brook Pulp and Paper Ltd. ("CBPP").

³ In the Supply Cost Accounting Compliance Application filed on January 21, 2022, it was proposed the cost variance threshold would commence on January 1, 2022 and the cost variance of +/- \$500,000 would apply to the Revised Energy Supply Cost Variance Deferral Account balance of October 31, 2021.

Supply Cost Variance Deferral Account
Net Revenue from Exports Variance
March 31, 2023

	Test Year (\$) (H _T)	Actual ¹ (\$) (H)	Total Variation (\$) (H _T - H)	Non-Firm Sales Revenue ²
January	-	499,872	(499,872)	-
February	-	385,775	(385,775)	-
March	-	653,913	(653,913)	-
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total	-	1,539,560	(1,539,560)	-

¹ Muskrat Falls and Hydro entered into a Purchase Power Agreement for the purchase and sale of residual block energy. Under this Agreement, Labrador Rural and Industrial customer load, previously serviced with Recapture Energy from Churchill Falls, is now serviced with energy from the Muskrat Falls Hydroelectric Generating Facility. Entering into this Agreement has allowed additional Recapture Energy exports to external markets helping to ensure maximum value from the organization's hydrological resources.

² Non-firm sales supplied from hydraulic sources for 2023 were not separately identified. Any non-firm sales were charged to customers at the cost of fuel and credited to the appropriate fuel account. Tracking of sales from hydraulic sources will begin in 2023 pending approval of market rates for non-firm sales.

Supply Cost Variance Deferral Account
 Tariff Revenue
 March 31, 2023

	Test Year	Actual	Total
	(\$)	(\$)	Variation
	(I)	(I)	(\$)
			(I - I)
January	-	862,075	(862,075)
February	-	1,179,438	(1,179,438)
March	-	1,107,140	(1,107,140)
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	-	3,148,654	(3,148,653)

Supply Cost Variance Deferral Account
Load Variation - Utility
March 31, 2023

Test Year	Cost of Service	Actual	Sales	Firm	Load
	Firm Sales (kWh) (J _T)	Firm Sales (kWh) (J _A)	Variance (kWh) (J _T - J _A)	Energy Rate (\$/kWh) (K _R)	Variation (\$) (J _T - J _A) x K _R
January	715,400,000	643,358,819	72,041,181	0.18165	13,086,281
February	648,500,000	685,622,163	(37,122,163)	0.18165	(6,743,241)
March	646,000,000	669,011,627	(23,011,627)	0.18165	(4,180,062)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	2,009,900,000	1,997,992,609	11,907,391		2,162,978

Supply Cost Variance Deferral Account
Load Variation - Industrial
March 31, 2023

Test Year	Cost of Service Firm Sales (kWh) (J _T)	Actual Firm Sales (kWh) (J _A)	Sales Variance (kWh) (J _T - J _A)	Firm Energy Rate (\$/kWh) (K _R)	Load Variation (\$) (J _T - J _A) x K _R
January	63,000,000	32,122,755	30,877,245	0.04428	1,367,244
February	58,100,000	33,708,987	24,391,013	0.04428	1,080,034
March	63,300,000	34,031,770	29,268,230	0.04428	1,295,997
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	184,400,000	99,863,512	84,536,488		3,743,275

Supply Cost Variance Deferral Account
Rural Rate Alteration
March 31, 2023

	Price (\$)	Volume (\$)	Total ¹ (\$)	Utility Allocation ¹ (\$)	Labrador Interconnected Allocation ¹ (\$)	Balance (\$)
January	(494,263)	(112,506)	(606,769)	(583,105)	(23,664)	-
February	(446,702)	(655,026)	(1,101,728)	(1,058,761)	(42,967)	-
March	(450,521)	(302,807)	(753,328)	(723,948)	(29,380)	-
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	(1,391,486)	(1,070,339)	(2,461,825)	(2,365,814)	(96,011)	-

(to page 4)

¹ 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).

Supply Cost Variance Deferral Account
 Greenhouse Gas Credits
 March 31, 2023

	Test Year	Actual	Total
	(\$)	(\$)	Variation
	(T _T)	(T)	(T _T - T)
January	-	(3,962)	3,962
February	-	235,119	(235,119)
March	-	950	(950)
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	-	232,108	(232,107)

Supply Cost Variance Deferral Account
Rate Mitigation
March 31, 2023

	Actual (\$)	Test Year (\$)	Total Variation (\$)
January	-	-	-
February	-	-	-
March ¹	190,404,321	-	(190,404,321)
April			
May			
June			
July			
August			
September			
October			
November			
December			
	190,404,321	-	(190,404,321)

¹ In March 2023, Government provided \$190.4 million for the purpose of mitigating projected future customer rate increases that would be required to recover net supply costs incurred to the end of 2022.

2022 Short-Term Interest Calculation (Actual)¹

	(\$000's)
Promissory Note Interest	1,442
Operating Line Interest	-
Standby and Upfront Fee ²	444
Brokerage Fee	45
Debt Guarantee Fee – Recoverable Portion Only	69
Total Short-Term Borrowing Costs	2,000
Weighted Average Short-Term Debt Balance³	46,260
Short-Term Cost of Borrowing 2022	4.32%

¹ Financing charges accrued at the 2022 short-term cost of borrowing of 4.32% for the period of January to November, 2023. In December, financing costs will be trued up to reflect the actual short-term cost of borrowing for 2023.

² Due to an unforeseen low weighted average short-term debt balance and high Supply Cost Variance Deferral Account balance, the inclusion of the full standby and upfront fee of \$0.7 million would have resulted in a short-term cost of borrowing rate of 4.88% and an additional \$0.6 million interest charge.

As a result, the standby and upfront fee was reduced on a prorated basis in comparison to the 2021 debt ($46,260 / 73,118 = 63\% * 701 = 444$). Hydro's short-term cost of borrowing calculation will be monitored in 2023 and if a methodology modification is required then Hydro will make a submittal for approval with the Board.

³ The weighted average of the short-term debt balance is calculated using the 365-day average of the credit facility debt and the promissory note debt balances.

Appendix A

Other Island Interconnected System

Supply Cost Variance Summary



Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
Appendix A, Page 1 of 14

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
March 31, 2023

Holyrood Combustion Turbine	Actual	Fuel for Non-	Net	Test Year	Thermal
	Cost	Firm Sales	Cost	Cost	Variation
	(\$)	(\$) ^{1,2}	(\$)	(\$)	(\$)
	(A)	(B)	(C = A - B)	(D)	(C - D)
January	780,546	319,101	461,445	1,258,888	(797,443)
February	2,341,228	3,663,268	(1,322,040)	767,288	(2,089,328)
March	1,940,020	21	1,939,998	661,531	1,278,467
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	5,061,794	3,982,390	1,079,404	2,687,707	(1,608,304)

¹ All non-firm sales are credited under Holyrood Combustion Turbines since the non-firm sales were not distinguished between Holyrood, Hardwoods or Stephenville.

² Includes non-firm sales to Island Industrial Customers, supply of emergency energy to Nova Scotia and the reimbursement of fuel costs by Nalcor under the Indemnity Agreement.

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
March 31, 2023

Hardwoods Gas Turbine	Actual	Fuel for Non-	Net	Test Year	Thermal
	Cost (\$) (A)	Firm Sales (\$) (B)	Cost (\$) (C = A - B)	Cost (\$) (D)	Variation (\$) (C - D)
January	271,279	-	271,279	122,478	148,801
February	394,415	-	394,415	123,884	270,531
March	13,633	-	13,633	117,271	(103,638)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	679,327	-	679,327	363,633	315,694

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
March 31, 2023

	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
Stephenville Gas Turbine					
January	266,113	-	266,113	68,116	197,997
February	353,434	-	353,434	46,923	306,511
March	21,254	-	21,254	40,867	(19,613)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	640,801	-	640,801	155,906	484,895

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
March 31, 2023

St. Anthony Diesel Generating Station	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	52,240	-	52,240	3,147	49,093
February	13,881	-	13,881	3,089	10,792
March	35,159	-	35,159	3,299	31,860
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	101,279	-	101,279	9,535	91,745

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
March 31, 2023

Hawkes Bay Diesel Generating Station	Actual Cost (\$) (A)	Fuel for Non- Firm Sales (\$) (B)	Net Cost (\$) (C = A - B)	Test Year Cost (\$) (D)	Thermal Variation (\$) (C - D)
January	49,390	-	49,390	1,575	47,815
February	11,075	-	11,075	1,547	9,528
March	14,999	-	14,999	1,652	13,347
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	75,464	-	75,464	4,774	70,690
Total					(645,280)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
Off-Island Power Purchase
March 31, 2023

Maritime Link	Actual	Test Year	Off-Island
	Cost (\$) (A)	Cost (\$) (B)	Power Purchase Variation (\$) (A - B)
January	-	325,148	(325,148)
February	-	2,548,040	(2,548,040)
March	-	5,799,459	(5,799,459)
April			
May			
June			
July			
August			
September			
October			
November			
December			
Subtotal	-	8,672,647	(8,672,647)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
Off-Island Power Purchase
March 31, 2023

Labrador-Island Link	Actual	Test Year	Off-Island
	Cost (\$) (A)	Cost (\$) (B)	Power Purchase Variation (\$) (A - B)
January	-	151,886	(151,886)
February	-	62,099	(62,099)
March	-	120,370	(120,370)
April			
May			
June			
July			
August			
September			
October			
November			
December			
Subtotal	-	334,356	(334,355)
Total			(9,007,002)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

Nalcor Exploits	Actual	Cost of	Monthly	Cost of	Power
	Production (kWh) (A)	Service Production (kWh) (B)	Production Variation (kWh) (C) = (A - B)	Service Cost (¢/kWh) (D)	Purchase Variation (\$) (E) = (C x D)
January	58,066,871	54,196,680	3,870,191	0.0400	154,808
February	48,178,264	48,703,200	(524,936)	0.0400	(20,997)
March	52,473,234	53,794,920	(1,321,686)	0.0400	(52,867)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	158,718,369	156,694,800	2,023,569		80,944

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

Star Lake	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variation (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	12,532,676	12,391,320	141,356	0.0400	5,654
February	10,914,516	11,245,920	(331,404)	0.0400	(13,256)
March	12,990,760	12,395,040	595,720	0.0400	23,829
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	36,437,952	36,032,280	405,672		16,227

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

Rattle Brook	Actual	Cost of	Monthly	Cost of	Power
	Production (kWh) (A)	Service Production (kWh) (B)	Production Variation (kWh) (C) = (A - B)	Service Cost (¢/kWh) (D)	Purchase Variation (\$) (E) = (C x D)
January	1,089,549	680,000	409,549	0.0851	34,858
February	445,844	470,000	(24,156)	0.0851	(2,056)
March	236,106	630,000	(393,894)	0.0851	(33,525)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	1,771,499	1,780,000	(8,501)		(723)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

CBPP Co-Generation	Actual	Cost of	Monthly	Cost of	Power
	Production (kWh) (A)	Service Production (kWh) (B)	Production Variation (kWh) (C) = (A - B)	Service Cost (¢/kWh) (D)	Purchase Variation (\$) (E) = (C x D)
January	4,379,398	6,320,000	(1,940,602)	0.1884	(365,609)
February	3,742,962	4,980,000	(1,237,038)	0.1884	(233,058)
March	4,599,478	5,840,000	(1,240,522)	0.1884	(233,714)
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	12,721,838	17,140,000	(4,418,162)		(832,381)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

St. Lawrence Wind	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variation (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation (\$) (E) = (C x D)
January	8,856,540	11,200,000	(2,343,460)	0.0722	(169,198)
February	8,422,046	11,200,000	(2,777,954)	0.0722	(200,568)
March	10,984,097	10,570,000	414,097	0.0722	29,898
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	28,262,683	32,970,000	(4,707,317)		(339,868)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
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Supply Cost Variance Deferral Account
On-Island Purchases Variation
March 31, 2023

Fermeuse Wind	Actual	Cost of	Monthly	Cost of	Power
	Production (kWh) (A)	Service Production (kWh) (B)	Production Variation (kWh) (C) = (A - B)	Service Cost (¢/kWh) (D)	Purchase Variation (\$) (E) = (C x D)
January	7,480,823	9,020,000	(1,539,177)	0.07717	(118,778)
February	8,088,954	9,020,000	(931,046)	0.07717	(71,849)
March	9,580,893	8,510,000	1,070,893	0.07717	82,641
April					
May					
June					
July					
August					
September					
October					
November					
December					
Subtotal	25,150,670	26,550,000	(1,399,330)		(107,986)
Total					(1,183,787)

Supply Cost Variance Deferral Account Report for the Quarter Ended March 31, 2023
Appendix A, Page 14 of 14

Indemnity Agreement
Fuel Costs Reimbursed by Nalcor¹
March 31, 2023

	Actual Production No. 6 Fuel (kWh)	Actual Cost No. 6 Fuel ² (\$)	Actual Production Gas TurbineFuel (kWh)	Actual Cost Gas TurbineFuel ² (\$)	Actual Costs Reimbursed ² (\$)
January	1,168,000	120,138	685,000	232,496	352,633
February	12,460,000	2,645,133	8,875,000	3,511,085	6,156,218
March	-	-	-	-	-
April					
May					
June					
July					
August					
September					
October					
November					
December					
	13,628,000	2,765,271	9,560,000	3,743,581	6,508,852

¹ In August 2021, Nalcor commenced delivery of the Nova Scotia Block that, combined with limited Labrador-Island Link capacity, meant Hydro could not be delivered as much energy from the Muskrat Falls Hydroelectric Generating Facility as it would otherwise.

² These costs have been eliminated as referenced on Holyrood TGS Fuel Cost Variance (p. 7) and Thermal Generation Cost Variance (Appendix A).

Contribution in Aid of Construction

Quarter Ended March 31, 2023



1 Table 1 summarizes the CIAC¹ activity for the current quarter. It also provides an overview of the
 2 following:

- 3 • The type of service for which a CIAC has been calculated, either domestic or general service;
- 4 • The number of CIACs quoted during the quarter, as well as the number of CIAC quotes that
 5 remain outstanding as of the end of the quarter. This format facilitates a reconciliation of the
 6 total number of CIACs that were active during the quarter; and
- 7 • Information as to the disposition of the total CIACs quoted. A CIAC is considered accepted when
 8 a customer indicates that it wishes to proceed with the construction of the extension and has
 9 agreed to pay any charge that may be applicable. A CIAC is considered to expire after six months
 10 have elapsed and the customer has not indicated its intention to proceed with the extension. A
 11 quoted CIAC is outstanding if it is neither accepted nor expired.

Table 1: CIAC Report for the Current Quarter

Type of Service	CIACs		Total CIACs Quoted	CIACs Accepted	CIACs Expired	CIACs Outstanding
	CIACs Quoted	Outstanding from Last Quarter				
Domestic						
Within Plan Boundary	1	1	2	0	1	1
Outside Plan Boundary	1	9	10	0	5	5
Subtotal	2	10	12	0	6	6
General Service	1	6	7	1	3	3
Total	3	16	19	1	9	9

¹ Includes residential, non-residential, and general service CIAC activities for northern, central, and Labrador regions.

1 The number of CIACs quoted during the current quarter by region is summarized in Table 2, which also
 2 identifies the following:

- 3 • The service location for the CIAC;
- 4 • The CIAC number related to the quote;
- 5 • The amount of the CIAC required to be paid by the customer;
- 6 • The estimated construction costs to provide the requested service; and
- 7 • Whether the CIAC has been accepted by the customer.

Table 2: CIAC Activity Report for the Current Quarter

Date Quoted	Service Location	CIAC Number	CIAC Amount (\$)	Estimated Construction Costs (\$)	Accepted
Domestic: Within Residential Planning Boundaries					
20-Feb-2023	King's Point	1647388	315	4,140	
Domestic: Outside Residential Planning Boundaries					
08-Mar-2023	South Brook: Green Bay	1650095	735	1,960	
General Service					
02-Mar-2023	Milltown	1651011	69,586	70,897	

Customer Damage Claims

Quarter Ended March 31, 2023



1 The Customer Damage Claims report contains a summary of all damage claims activity on a quarterly
2 basis. The information contained in the report is broken down by cause as well as by the operating
3 region where the claims originated.

4 The report provides an overview of the following:

- 5 ● The number of claims received during the quarter coupled with claims outstanding from the last
6 quarter;
- 7 ● The number of claims for which Newfoundland and Labrador Hydro (“Hydro”) has accepted
8 responsibility and the amount paid to claimants versus the amount originally claimed;
- 9 ● The number of claims rejected and the dollar value associated with those claims; and
- 10 ● Those claims that remain outstanding at the end of the quarter and the dollar value associated
11 with such claims.

12 Definitions of Causes of Damage Claims:

- 13 ● **System Operations:** Claims arising from system operations (e.g., normal reclosing or switching).
- 14 ● **Power Interruptions:** Claims arising from the interruption of power supply (e.g., all scheduled or
15 unscheduled interruptions).
- 16 ● **Improper Workmanship:** Claims arising from the failure of electrical equipment caused by
17 improper workmanship or methods (e.g., improper crimping of connections, insufficient sealing
18 and taping of connections, improper maintenance, and inadequate clearance or improper
19 operation of equipment).
- 20 ● **Weather Related:** Claims arising from weather conditions (e.g., wind, rain, ice, lightning or
21 corrosion caused by weather).
- 22 ● **Equipment Failure:** Claims arising from failure of electrical equipment not caused by improper
23 workmanship (e.g., broken neutrals, broken tie wires, transformer failure, insulator failure or
24 broken service wire).
- 25 ● **Third Party:** Claims arising from equipment failure caused by acts of third parties (e.g., motor
26 vehicle accidents and vandalism).
- 27 ● **Miscellaneous:** All claims that are not related to electrical service.
- 28 ● **Waiting Investigation:** Cause to be determined.

Table 1: Customer Property Damage Claims Report by Region for the Current Quarter¹

Region	# Received	# Outstanding Since Last Quarter	Total	Claims Accepted		Claims Rejected	Claims Outstanding			
				#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)	#	Amount (\$)
Central	1	6	7	1	1,364	1,221	4	1,521	2	780
Northern	10	6	16	1	12,375	10,791	6	8,475	9	20,034
Labrador	4	4	8	0	-	-	3	10,072	5	14,721
Total	15	16	31	2	13,739	12,012	13	20,067	16	35,535

Table 2: Customer Property Damage Claims Report by Region for the Same Quarter, Previous Year²

Region	# Received	# Outstanding Since Last Quarter	Total	Claims Accepted		Claims Rejected	Claims Outstanding			
				#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)	#	Amount (\$)
Central	14	3	17	3	5,740	1,457	10	8,443	4	3,669
Northern	7	7	14	2	3,309	2,630	8	13,052	4	18,376
Labrador	9	2	11	1	3,320	3,320	8	5,345	2	2,728
Total	30	12	42	6	12,369	7,406	26	26,839	10	24,773

¹ Numbers may not add due to rounding.

² Numbers may not add due to rounding.

Table 3: Customer Property Damage Claims Report by Cause for the Current Quarter³

Cause	# Received	# Outstanding Since Last Quarter		Claims Accepted		Claims Rejected		Claims Outstanding		
		Quarter	Total	#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)	#	Amount (\$)
System Operations	0	0	0	0	-	-	0	-	0	-
Power Interruptions	4	0	4	0	-	-	3	8,964	1	948
Improper Workmanship	0	6	6	2	13,739	12,012	0	-	4	2,111
Weather Related	5	2	7	0	-	-	7	9,292	2	4,987
Equipment Failure	3	2	5	0	-	-	1	911	5	15,760
Third Party	0	0	0	0	-	-	0	-	0	-
Miscellaneous	0	0	0	0	-	-	1	900	0	-
Awaiting Investigation	3	6	9	0	-	-	1	-	4	11,730
Total	15	16	31	2	13,739	12,012	13	20,067	16	35,535

Table 4: Customer Property Damage Claims Report by Cause for the Same Quarter, Previous Year⁴

Cause	# Received	# Outstanding Since Last Quarter		Claims Accepted		Claims Rejected		Claims Outstanding		
		Quarter	Total	#	Amount Claimed (\$)	Amount Paid (\$)	#	Amount (\$)	#	Amount (\$)
System Operations	0	0	0	0	-	-	0	-	0	-
Power Interruptions	4	1	5	0	-	-	5	7,252	0	-
Improper Workmanship	2	3	5	2	5,083	4,943	0	-	3	13,104
Weather Related	20	8	28	4	7,286	2,464	19	12,774	5	10,469
Equipment Failure	0	0	0	0	-	-	0	-	0	-
Third Party	0	0	0	0	-	-	0	-	0	-
Miscellaneous	2	0	2	0	-	-	2	6,813	0	-
Awaiting Investigation	2	0	2	0	-	-	0	-	2	1,200
Total	30	12	42	6	12,369	7,406	26	26,839	10	24,773

³ Numbers may not add due to rounding.

⁴ Numbers may not add due to rounding.