Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

November 20, 2023

Newfoundland Power Inc.
Dominic J. Foley
55 Kenmount Road
PO Box 8910
St. John's, NL A1B 3P6

Island Industrial Customer Group
Paul L. Coxworthy
Stewart McKelvey
Suite 1100, Cabot Place
100 New Gower Street
PO Box 5038
St. John's, NL A1C 5V3

Consumer Advocate
Dennis M. Browne, KC
Browne Fitzgerald Morgan & Avis
Terrace on the Square, Level 2
PO Box 23135
St. John's, NL A1B 4J9

Re: Quarterly Regulatory Report for the Quarter Ended September 30, 2023

Enclosed is Newfoundland and Labrador Hydro's Quarterly Regulatory Report for Quarter Ended September 30, 2023, originally filed with the Board of Commissioners of Public Utilities on November 14, 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.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

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

Encl.

ecc:

Board of Commissioners of Public Utilities
Jo-Ann Galarneau
Cheryl Blundon
Jacqui H. Glynn
PUB Official Email

Consumer Advocate
Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Newfoundland Power Inc.
Lindsay S.A. Hollett
Regulatory Email

Island Industrial Customer Group
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

Quarterly Regulatory Report

Quarter Ended September 30, 2023

November 14, 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

Tab 1

Quarterly Summary

Quarter Ended September 30, 2023

Contents

Abbreviations iii

Definitions v

1.0 Highlights 1

2.0 Safety and Health 2

2.1 Safety at Hydro 2

2.2 Safety Performance 2

2.3 Line Contacts 4

3.0 Reliability 4

3.1 Outage Information 4

3.2 Generation Outage Summary 5

3.3 Reliability Indicators 5

3.3.1 End-Consumer Performance 5

3.3.2 Bulk Power System Delivery Point Interruption Performance 7

3.3.3 Service Continuity Performance 8

4.0 Customer Service 10

4.1 Customer Transactional Surveys 10

4.2 Customer Statistics 10

5.0 Supply Costs and Energy Sales 11

5.1 Fuel Prices 11

5.2 Transfers to Supply Cost Deferral Accounts 13

5.2.1 Supply Cost Variance Deferral Account Overview 13

5.2.2 Isolated Systems Cost Variance Deferral Account 13

5.3 Statement of Energy Sold 14

6.0 Asset Management and Investment 16

6.1 2023 Capital Budget 16

6.2 Capital Expenditures 19

6.3 2023 Capital Projects Progress 19

6.4 Integrated Annual Work Plan 23

7.0 Financial 24

7.1 Statement of Income 24

8.0 People and Community 24
8.1 Diversity and Inclusion 24
8.1.1 Equity, Diversity, and Inclusion Participation Requests 24
8.1.2 National Day for Truth and Reconciliation 25
8.2 Community Initiatives 25
8.2.1. The Red Shoe Crew Walk for Families 25
8.2.2. Annual Student Green Team 26
8.2.3. Go Girls Programs 26
9.0 Ramea 27
9.1 Capital Costs 27
9.2 Operating Costs 27
9.3 Reliability and Safety Issues 27

List of Appendices

Appendix A: Power Outages Reported to the Board of Commissioners of Public Utilities

Appendix B: Major Events Excluded From Performance Index Tables

Appendix C: Generation Unit Outages

Appendix D: Supplemental Reliability Information

Appendix E: Financial Schedules

List of Attachments

Attachment 1: Rate Stabilization Plan Report

Attachment 2: Supply Cost Variance Deferral Account Report

Abbreviations

Term	Definition
AIF	All-Injury Frequency
ARO	Asset Retirement Obligation
bbl	Barrel
Bay d'Espoir Facility	Bay d'Espoir Hydroelectric Generating Facility
Cat Arm Station	Cat Arm Hydroelectric Generating Station
CF(L)Co	Churchill Falls (Labrador) Corporation
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
Granite Canal Station	Granite Canal Hydroelectric Generating Station
Holyrood TGS	Holyrood Thermal Generating Station
Hydro	Newfoundland and Labrador Hydro
LIL	Labrador-Island Link
LTIF	Lost-Time Injury Frequency
Newfoundland Power	Newfoundland Power Inc.

Term	Definition
NLH	Newfoundland and Labrador Hydro
Q3	Third Quarter
RSP	Rate Stabilization Plan
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
TFA	Transmission Funding Agreement
T-SAIDI	Transmission System Average Interruption Duration Index
T-SAIFI	Transmission System Average Interruption Frequency Index
T-SARI	Transmission System Average Restoration Index
UFLS	Under Frequency Load Shedding
Upper Salmon Station	Upper Salmon Hydroelectric Generating Station
YTD	Year-to-Date

Definitions

Current Quarter: The period beginning June 30, 2023 and ending September 30, 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 by the total number of customers in an area (e.g., a 2-hour outage affecting 50 customers equals 100 customer outage hours).

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, measuring 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.

YTD: The period ending September 30 of the applicable year.

1.0 Highlights

Table 1: Highlights for the Period Ended September 30, 2023

	2023 Actual	YTD 2023 Target	2022 Actual	2023 Annual Target
Safety, Health, and Environment				
Lead/Lag Ratio	338:1	1,000:1	833:1	1,000:1
AIF Rate	1.05	<0.60	0.91	<0.60
LTIF Rate	0.18	<0.15	0.36	<0.15
Achievement of EMS Targets (%)	57	N/A	30	95
Reliability				
End-Consumer SAIDI	1.64	2.13	2.00	2.77
End-Consumer SAIFI	1.08	0.81	0.77	1.11
Production				
Holyrood No. 6 Fuel Oil Average Cost ($/bbl)	126	115	116	112
Holyrood Efficiency (kWh/bbl)	534	583	568	583
Electricity Delivery (GWh)				
Energy Sales	5,740	5,412	5,758[1]	7,450
Financial ($ Millions)[2]				
Revenue	482.0	470.1	477.7	642.1
Operating Expenses	111.3	103.2	97.6	136.1
Net Income	26.3	29.7	34.7	31.4
RSP ($ Millions)[3]				
RSP Balance	56.0	54.7	51.6	47.6
Supply Cost Variance Deferral Account ($ Millions)[4]				
Cumulative Net Balance	143.5	460.7	164.8	439.3
FTE Employees[5]				
Regulated	803.50	N/A	762.1	818.4[6]

[1] Restated to reflect exports scheduled at Bottom Brook.
[2] Financial figures exclude non-regulated activities.
[3] The RSP report for the current quarter is provided as Attachment 1.
[4] Computed based on the methodology presented in "Supply Cost Accounting Compliance Application," Newfoundland and Labrador Hydro, January 21, 2022.
[5] Figures shown are net FTEs.
[6] The increase in FTEs from 2022 Actuals to 2023 Actuals is primarily driven by the extension of operations at the Holyrood TGS beyond March 31, 2024.

2.0 Safety and Health

2.1 Safety at Hydro

Hydro suffered a tragic incident on August 10, 2023, resulting in a workplace fatality; the incident is currently under investigation. Fatality has been added as an injury type; this incident is reflected in Hydro's overall statistics, including AIF Rate and Lead/Lag Ratio.

Safety remains Hydro's first priority. Hydro's framework for safety performance includes a balanced focus on culture, people, and process as it continues to ensure its safety management system reflects standards that are similar to that contained in ISO 45001. Completing investigations into workplace incidents (including fatalities) to prevent future incidents is a critical part of overall safety management systems. 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:

- Prevention activities relating to prevalent injury types, including specific programming around musculoskeletal injury prevention;
- Continued work around improvement of hazard-recognition processes;
- Improving contractor safety management; and
- Completing Safety and Health Monitoring Plan 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 Detail[7]

	YTD 2023	YTD 2022	2022 Annual
Fatalities	1	0	0
Lost-Time Injuries	1	2	2
Medical Treatment Injuries	4	3	5
Lead/Lag Ratio	338:1	833:1	851:1
AIF Rate	1.05	0.91	0.92
LTIF Rate	0.18	0.36	0.26
Severity Rate (Days Lost)	3.33(19)	1.81(10)	1.31(10)
High-Potential Incidents	3	2	2

In addition to the fatality, Hydro experienced three medical treatment injuries and one lost-time injury during the current quarter, resulting in a year-to-date AIF rate of 1.05 and an LTIF rate of 0.18. Hydro's lost-time severity rate was 3.33, based on 19 days of lost time from the single lost-time injury.

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

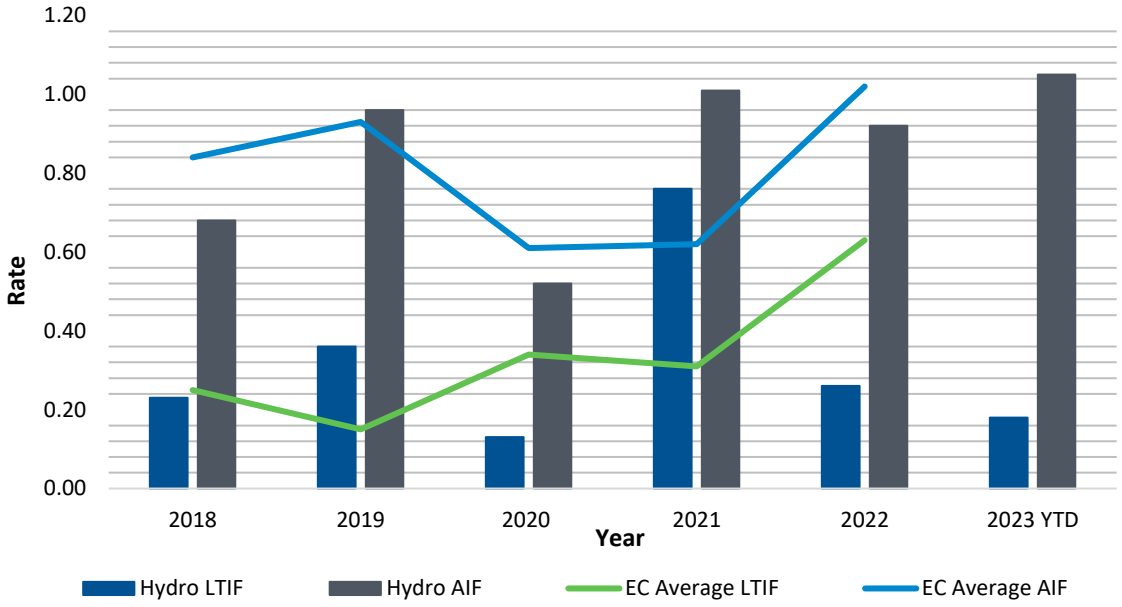


Chart 1: Hydro's AIF and LTIF Compared to EC Averages[8]

[7] Injury statistics reflect regulated Hydro employees only.
[8] Safety and Health performance metrics are compared to EC utility members in Group 2 (300 employees to 1,500 employees), except in 2022 where we fell in Group 1 (1,500+ employees).

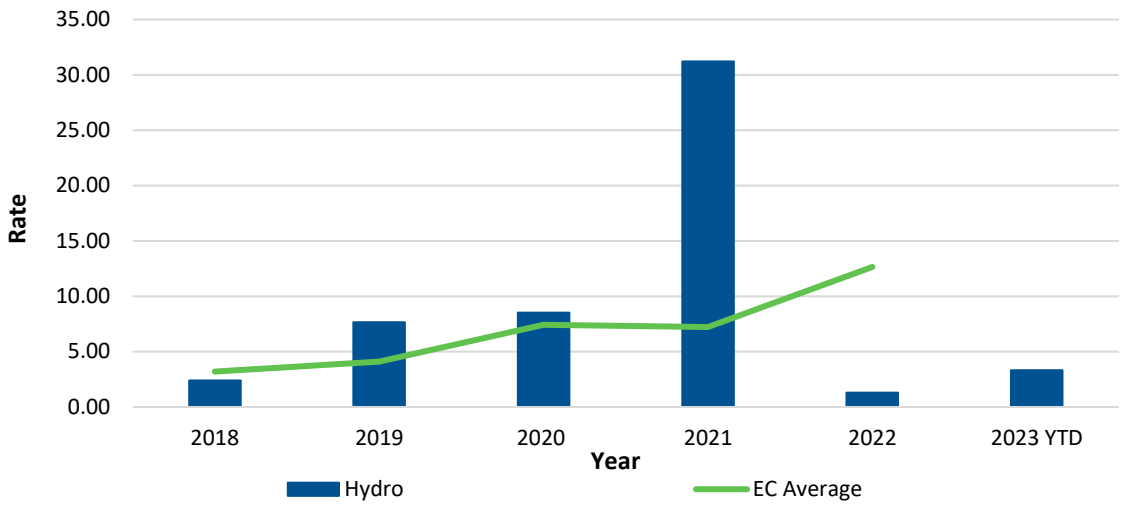


Chart 2: Hydro's Lost-Time Severity Rate Compared to EC Average[9]

2.3 Line Contacts

As Table 3 shows, Hydro had seven reportable line contact incidents by third parties during the current quarter. Hydro continues to work toward reducing line contact incidents by increasing public and contractor awareness of the hazards associated with contacting power lines through education.

Table 3: Line Contact Equipment/Vehicle Incidents

Date	Location	Incident Description
18-Jul-2023	St. Jacques	Guy anchor on pole was dug up
15-Aug-2023	Rocky Harbour	Excavator came in contact with a communication wire
20-Aug-2023	Seldom	Raised dump hooked a communication wire breaking pole
01-Sep-2023	Happy Valley-Goose Bay	Loader backed into pole cracking it off
21-Sep-2023	TL271	Fibre line found on ground
28-Sep-2023	Postville	Raised dump came in contact with a neutral and communication line
28-Sep-2023	Happy Valley-Goose Bay	Excavator struck and contacted a primary and neutral line

3.0 Reliability

3.1 Outage Information

There were two power outages reported to the Board during the current quarter. Information on each of these outages is provided in Appendix A.

[9] Safety and Health performance metrics are compared to EC utility members in Group 2 (300–1,500 employees), except in 2022 where we fell in Group 1 (1,500+ employees).

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

3.2 Generation Outage Summary

A summary of the status of Hydro's generating units for the current quarter is provided in Appendix C. It classifies which units were available or unavailable and any associated deratings. Further information is provided in Hydro's daily Supply and Demand Status reports filed with the Board.[10]

3.3 Reliability Indicators

For all reliability performance indicators in this report, a year-over-year decrease in reliability indicators indicates an improvement in system performance and a year-over-year increase in reliability indicators indicates a decline in system performance.[11] Data on reliability indicators including Service Continuity by Type, Area and Origin, T-SARI, and UFLS are provided in Appendix D.

3.3.1 End-Consumer Performance

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

Table 4: End-Consumer Performance

	Q3		YTD			2023 Annual Target
	2023	2022	Target	2023	2022	(2018–2022 Average)
SAIDI	0.56	0.86	2.13	1.64	2.00	2.77
SAIFI	0.27	0.25	0.81	1.08	0.77	1.11

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

[11] EC reliability data is published annually. EC Transmission reliability data is not currently available for 2022.

Hydro's End-Consumer SAIDI and SAIFI YTD data (2019 to 2023) is provided in Chart 3 and Chart 4, respectively.

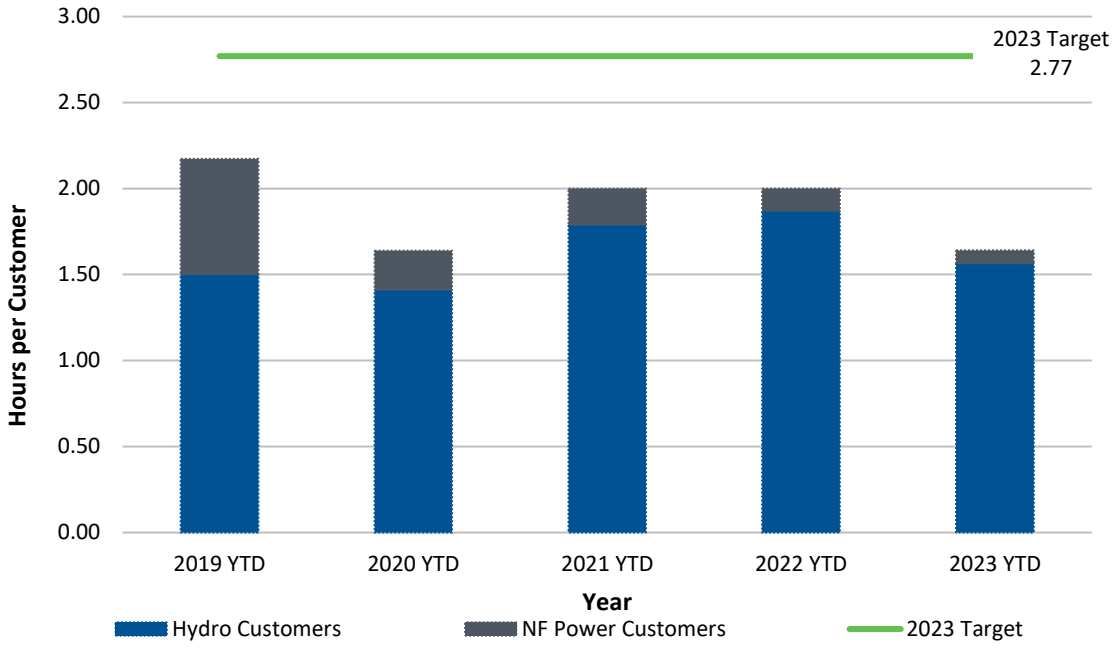


Chart 3: End-Consumer SAIDI

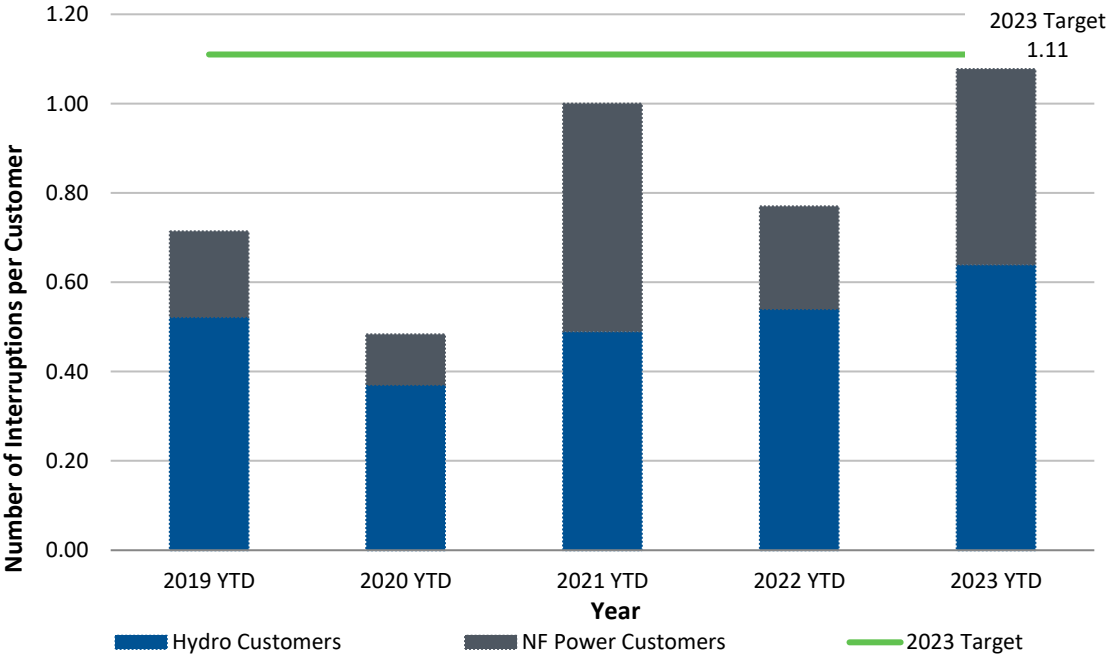


Chart 4: End-Consumer SAIFI

3.3.2 Bulk Power System Delivery Point Interruption Performance

T-SAIDI and T-SAIFI data are provided in Table 4. Hydro uses the averages of each Index for the period 2018 to 2022 to establish its annual target[12] for 2023. The T-SAIDI and T-SAIFI performance for Hydro, including planned and unplanned outages (2019 to 2023 YTD), and EC are provided in Chart 5 and Chart 6, respectively.

Table 5: Transmission Delivery Point Performance

	Q3		YTD			2023 Annual Target
	2023	2022	Target	2023	2022	(2018–2022 Average)
T-SAIDI	66.65	113.87	380.57	186.60	224.57	486.58
T-SAIFI	0.48	0.57	2.34	1.98	1.60	3.37

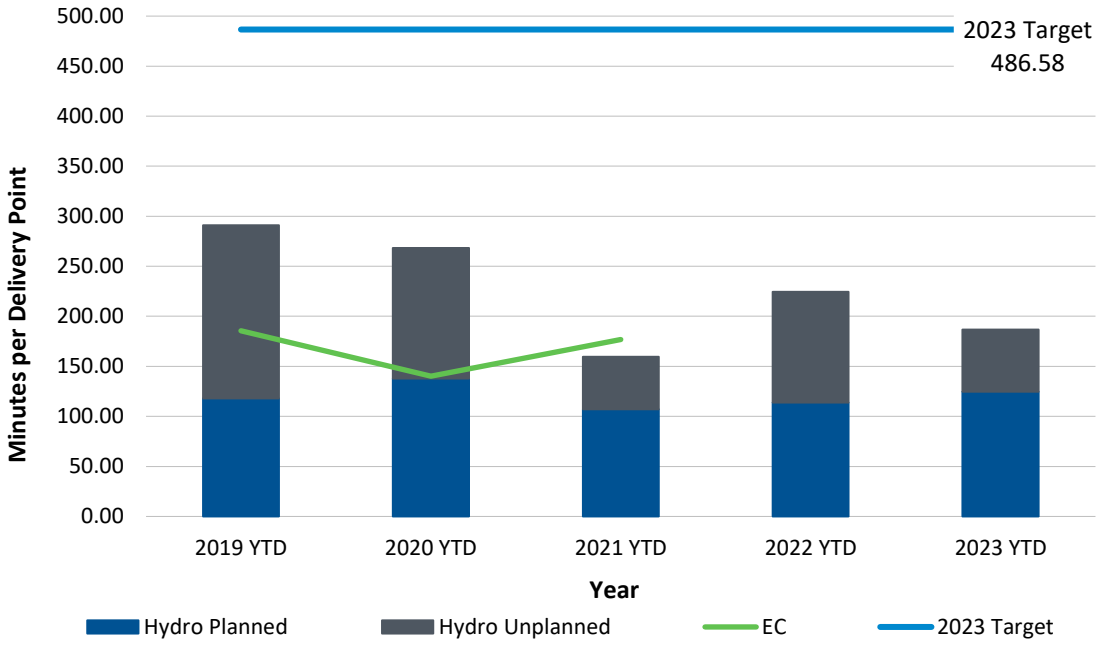


Chart 5: T-SAIDI[13]

[12] Hydro has completed a delivery point review and has developed the 2023 transmission targets using updated historic values.
[13] EC reliability data is published annually. EC Transmission reliability data is not currently available for 2022.

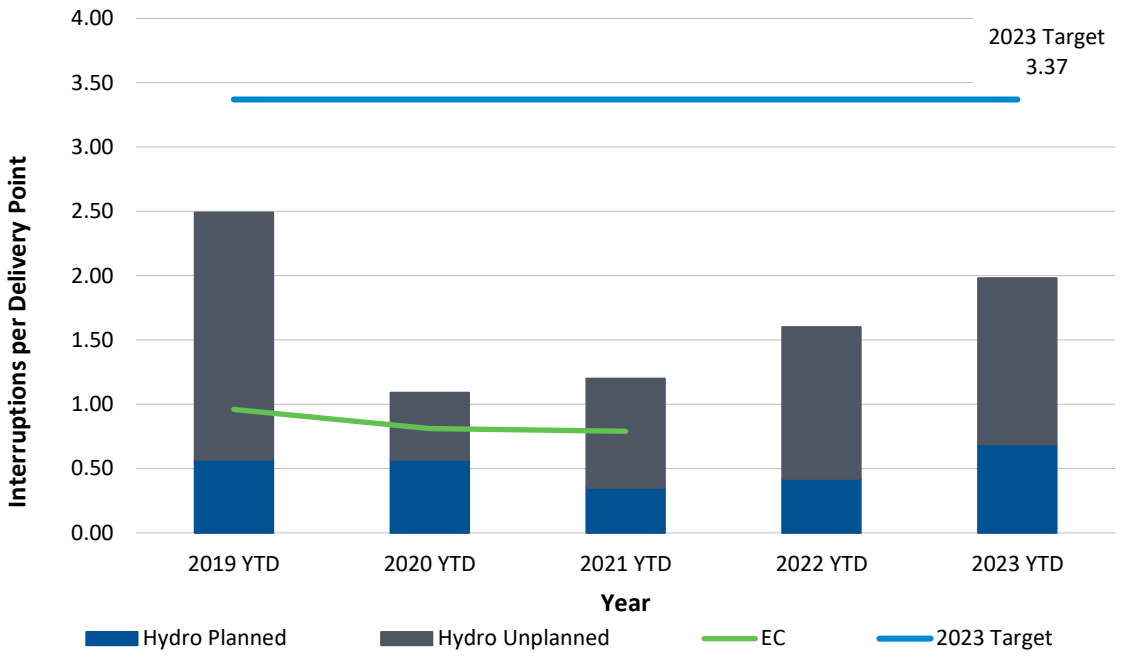


Chart 6: T-SAIFI[14]

3.3.3 Service Continuity Performance

Service Continuity SAIDI and SAIFI performance data are provided in Table 6. Hydro uses the average of each index for the period 2018 to 2022 to establish its annual targets for 2023 for these indices. Service Continuity SAIDI and SAIFI performance data for Hydro (2019 to 2023 YTD) and EC are provided in Chart 7 and Chart 8, respectively.

Table 6: Service Continuity SAIDI and SAIFI

	Q3		YTD			2023 Annual Target
	2023	2022	Target	2023	2022	(2018–2022 Average)
SAIDI	4.20	6.08	14.19	12.04	14.38	18.47
SAIFI	1.17	1.44	3.98	4.93	4.15	5.48

[14] EC reliability data is published annually. EC Transmission reliability data is not currently available for 2022.

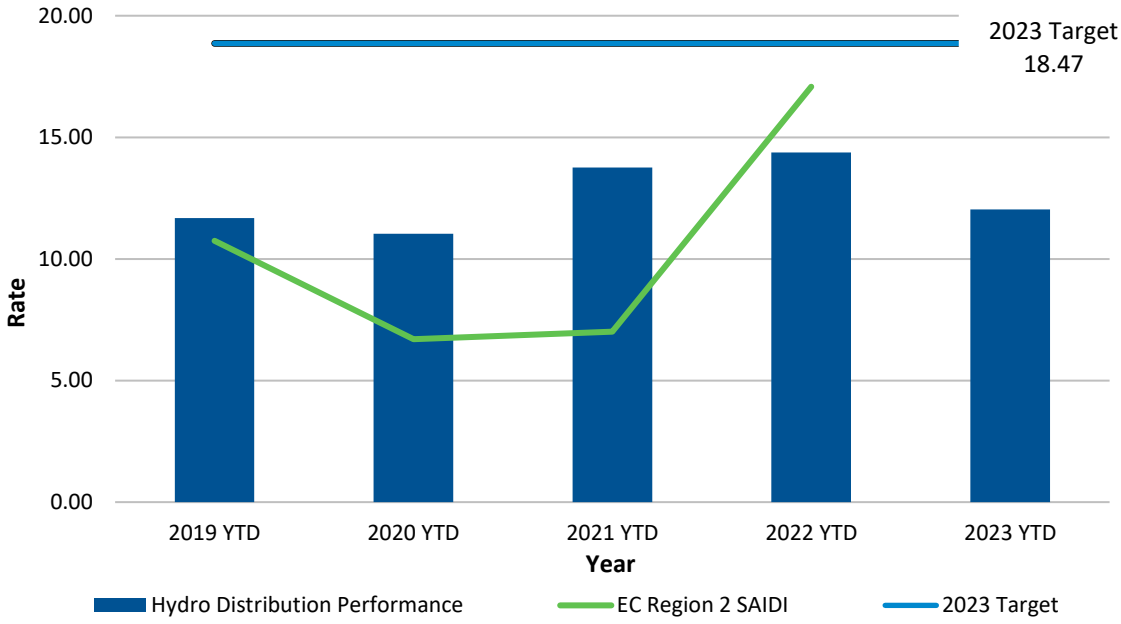


Chart 7: Service Continuity SAIDI

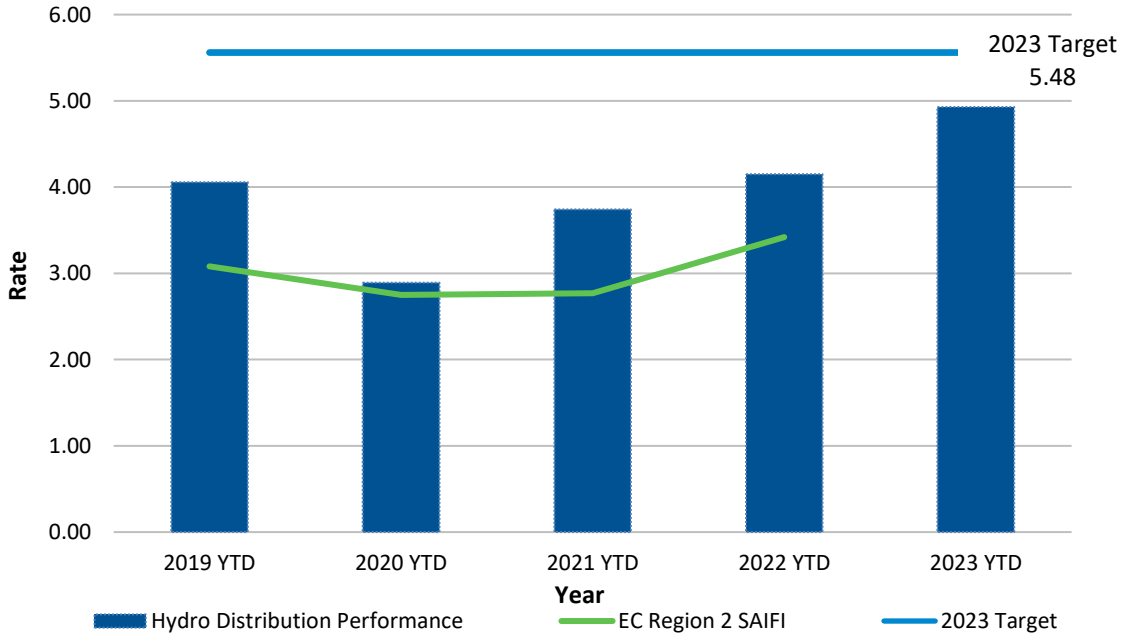


Chart 8: Service Continuity SAIFI

4.0 Customer Service

4.1 Customer Transactional Surveys

Survey results for the current quarter indicate that approximately 87% of customers were satisfied with the service they received when they reached out to Hydro's customer service department for assistance and 87% of customers felt their concern was resolved with the first call. Participation by customers declined versus the same quarter last year.[15] A summary of these results is provided in Table 7.

Table 7: Customer Service Transactional Survey Data

Measure	Q3 2023	Q3 2022
Overall Satisfaction	87%	89%
First Call Resolution	87%	85%
Number of Surveys Completed	607	903

4.2 Customer Statistics

A summary of the number of Hydro customers in each customer class, including net metering is provided in Table 8.

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

Table 8: Customer Statistics

	Q3		Annual	
Customer Class	2023 Actual	2022 Actual	2023 Budget	2022 Actual
Rural Customers[16]	39,163	39,033	39,126	39,101
Industrial Customers	5	5	6	5
Labrador Industrial Transmission Customers[17]	2	2	2	2
Utility Customers	1	1	1	1
Average Monthly Reading Days	29.5	29.5	N/A	30.1
Net Metering Customers	3	3	N/A	3

[15] The current provided of the telephone survey experienced technical difficulties during the current quarter, which contributed to the decline in responses during the quarter.
[16] Includes net metering customers.
[17] Iron Ore Company of Canada ("IOC") and Tacora Resources Inc.

5.0 Supply Costs and Energy Sales

5.1 Fuel Prices[18]

Market prices for No. 6 fuel oil reached a high of $133/bbl in mid-September and a low of $107/bbl in mid-July. The ending inventory cost for the current quarter was $123/bbl; this compares to the fuel price of $105.90/bbl that was reflected in Newfoundland Power's base rates during the current quarter.[19]

There was one shipment of No. 6 fuel oil during the current quarter, delivering 201,088bbls at a cost of $129/bbl. Inventory at the end of the quarter was 518,239 bbls.

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

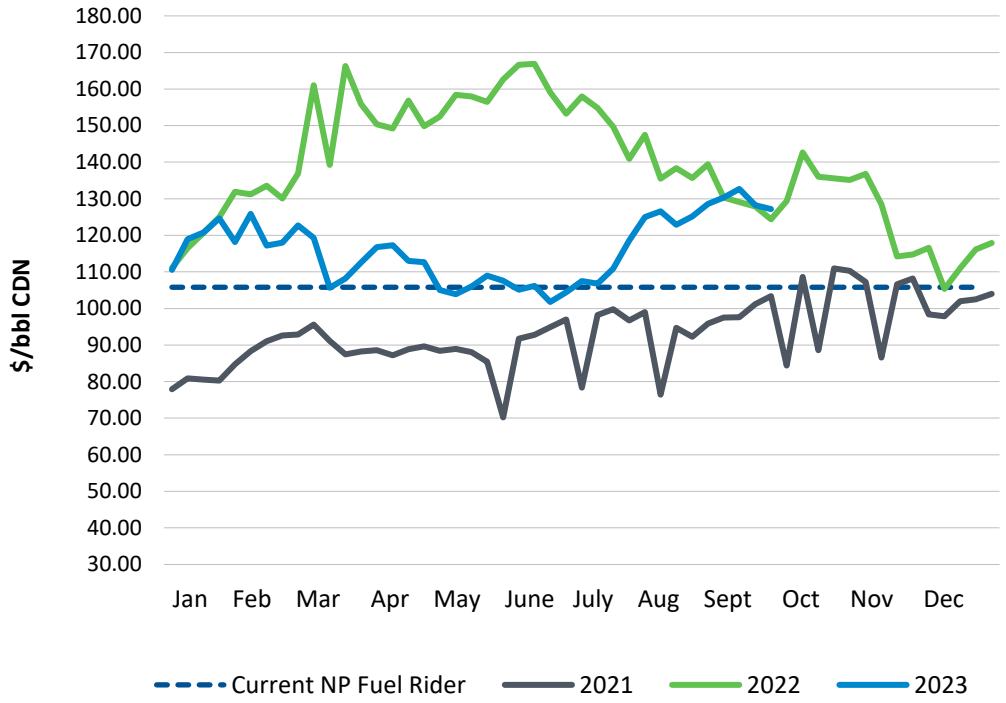


Chart 9: No. 6 Fuel Oil Average Weekly New York Spot Price

The monthly forecast price of No. 6 fuel oil is provided in Table 9.[20]

[18] Prices for No. 6 fuel oil are provided in Canadian Dollars ("CDN").
[19] The price of $105.90/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.
[20] The price forecast is based on Platts Analytics fuel price outlook, August 2023 World Oil Market Forecast and includes the premium for the No. 6 fuel oil.

Table 9: No. 6 Fuel Oil Forecast Prices ($CDN/bbl)

Month	Price
August 2023	120.50
September 2023	119.80
October2023	113.80
November 2023	110.20
December 2023	102.80
January 2024	95.50
February 2024	91.20
March 2024	94.00
April 2024	101.90
May 2024	106.90
June 2024	111.20
July 2024	112.90

A comparison of the Ultra Low Sulphur Diesel No. 1 (used in diesel generation) fuel oil prices thus far in 2023 as compared to 2020, 2021, and 2022 is provided in Chart 10.

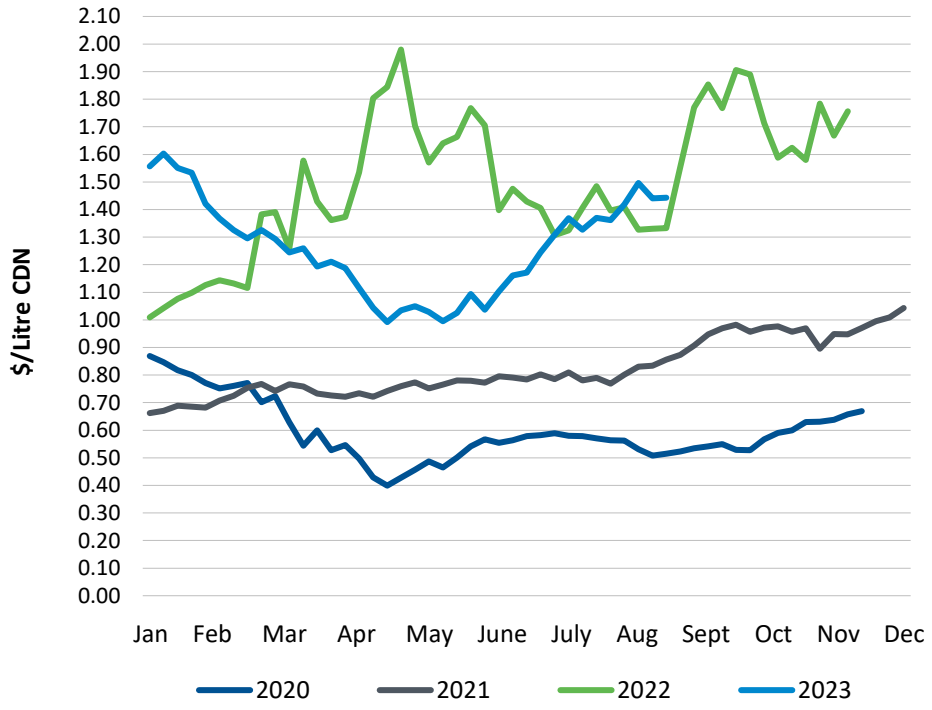


Chart 10: Ultra Low Sulphur No. 1 Diesel Weekly Montreal Rack Price

5.2 Transfers to Supply Cost Deferral Accounts

5.2.1 Supply Cost Variance Deferral Account Overview

The balances accumulated in the Supply Cost Variance Deferral Account as at September 30, 2023 are reported in Attachment 2. During the first three quarters of 2023, the activity in the account decreased the balance by $46.9 million, primarily as a result of $335.1 million in rate mitigation funding received.

On March 30, 2023, Hydro received correspondence from the Minister of Industry, Energy and Technology regarding the provision of a $190.4 million grant for the purposes of rate mitigation. This grant was credited to the Rate Mitigation Fund component of the Supply Cost Variance Deferral Account in March 2023, which settled the December 31, 2022 balance.

In 2022, as part of the provincial government's rate mitigation plan, Hydro, the Government of Newfoundland and Labrador, and the Government of Canada signed term sheets enabling access, upon commissioning of the Labrador-Island Link ("LIL"), to a $1.0 billion investment in the LIL by the Government of Canada in the form of a convertible debenture. On August 15, 2023, the first drawing on the convertible debenture of $144.7 million was received by LIL (2021) Limited Partnership; on August 28, 2023, the funds were transferred to Hydro for the purpose of rate mitigation. This funding was credited to the Rate Mitigation Fund component of the Supply Cost Variance Deferral Account, further reducing the balance.

The 2023 YTD payments made under the Muskrat Falls Power Purchase Agreement and Transmission Funding Agreement were $399.2 million. This increase in costs was offset by fuel savings at the Holyrood TGS ($30.2 million), Greenhouse Gas Performance Credits sold in September 2023 ($22.9 million), payments received from Newfoundland Power related to the Project Cost Recovery Rider (implemented on July 1, 2022), which is credited to the Utility component of the Supply Cost Variance Deferral Account ($34.1 million), and rate mitigation received ($144.7 million). The total balance in the account as at September 30, 2023 is $143.5 million.

5.2.2 Isolated Systems Cost Variance Deferral Account

Hydro accumulated $10.4 million[21] in the Isolated Systems Cost Variance Deferral Account as at September 30, 2023. The current year’s actual unit cost of diesel fuel was approximately 21¢/kWh more

[21] The September 30, 2023 Isolated System Cost Variance Deferral balance of $10.4 million is unaudited.

than the 2019 Test Year unit cost of fuel, which is the primary driver of the YTD transfer of fuel oil costs to this account this year.

The current year transfers to the Isolated Systems Cost Variance Deferral Account are provided in Table 10. Pursuant to Board Order No. P.U. 30(2019), Hydro has calculated the transfers relative to 2019 Test Year.

Table 10: Isolated Systems Cost Variance Deferral Account Year-to-Date Transfers[22] ($ Millions)

Q3		
2023 Actual	**2022 Actual**	**Variance**
10.4	5.7	4.7

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

5.3 Statement of Energy Sold

A summary of Hydro's energy sales YTD compared to that of other reporting periods is provided in Table 11.

[22] Net of deadbands.

Table 11: Statement of Energy Sold (GWh)

	YTD			
	2023 Actual	**2022 Actual[23]**	**2023 Budget**	**2023 Annual Budget**
Island Interconnected				
Newfoundland Power	4,278	4,020	4,150	5,708
Island Industrials	239	301	442	590
Export and Other	368	569	0	0
Rural				
Domestic	192	186	174	237
General Service	125	137	123	167
Street Lighting	2	2	2	3
Subtotal Rural	**319**	**325**	**299**	**407**
Subtotal Island Interconnected	**5,204**	**5,215**	**4,891**	**6,705**
Island Isolated				
Domestic	3	3	3	4
General Service	1	1	1	2
Street Lighting	0	0	0	0
Subtotal Island Isolated	**4**	**4**	**4**	**6**
Labrador Interconnected				
Domestic	232	244	219	319
General Service	305	298	246	349
Street Lighting	1	1	1	2
Subtotal Labrador Interconnected	**538**	**543**	**466**	**670**
Labrador Isolated				
Domestic	18	18	18	25
General Service	13	14	14	19
Street Lighting	0	0	0	0
Subtotal Labrador Isolated	**31**	**32**	**32**	**44**
L'Anse-au-Loup				
Domestic	12	11	12	16
General Service	7	7	7	9
Street Lighting	0	0	0	0
Subtotal L'Anse-au-Loup	**19**	**18**	**19**	**25**
Total Energy Sold (Before Rural Accrual)	**5,796**	**5,812**	**5,412**	**7,450**
Rural Accrual	(56)	(54)	N/A	N/A
Total Energy Sold	**5,740**	**5,758**	**5,412**	**7,450**
Non-Regulated Customers[24]				
Labrador Industrials	1,314	1,456	1,550	2,116

[23] Restated to reflect exports scheduled at Bottom Brook.

[24] Does not include non-regulated sales for export.

6.0 Asset Management and Investment

6.1 2023 Capital Budget

Hydro's 2023 Capital Budget was approved by the Board in Order No. P.U. 2(2023).[25] In addition to approval for an investment of $91 million in capital projects, Hydro carried forward approximately $40 million from its 2022 capital program. As a result, Hydro's opening capital budget for 2023 was $131 million. Additionally, supplemental capital of $15 million has been approved for 2023. Hydro's revised Board-approved 2023 capital budget as at September 30, 2023, was $146 million. Table 12 shows the breakdown of Hydro's Capital Budget approvals of $146 million by Board Order.

In advance of the 2024 Capital Budget Application, the Government of Newfoundland and Labrador amended the *Electrical Power and Control Act, 1994*[26] to increase the threshold for capital expenditures requiring pre-approval from the Board to $750,000. Table 13 outlines the capital projects under $750,000 approved by Hydro within the current quarter.

[25] *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 2(2023), Board of Commissioners of Public Utilities, January 26, 2023.
[26] *Electrical Power and Control Act, 1994*, SNL, 1994, c E-5.1.

Table 12: Capital Budget by Board Order as of September 30, 2023 ($000)[27]

2023 Capital Budget[28]	**90,829**
Carryover Projects 2022 to 2023[29]	39,991
Projects Approved by Board:	
Order No. P.U. 27(2021)[30]	586
Order No. P.U. 28(2021)[31]	118
Order No. P.U. 12(2022)[32]	457
Order No. P.U. 14(2022)[33]	138
Order No. P.U. 17(2022)[34]	1,561
Order No. P.U. 18(2022)[35]	3,040
Order No. P.U. 30(2022)[36]	3,386
Order No. P.U. 32(2022)[37]	45
Order No. P.U. 6(2023)[38]	2,105
Order No. P.U. 12(2023)[39]	3,597
Order No. P.U. 21(2023)[40]	63
Total Projects Approved by Board Order	**15,096**
2023 New Projects Under $750,000 approved by Hydro	449
Total Approved Capital Budget[41]	**146,365**

[27] Numbers may not add due to rounding.
[28] 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.
[29] 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.
[30] 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.
[31] 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.
[32] The roof replacement for the Makkovik Diesel Generating Station was approved for $0.6 million, of which $0.5 million is budgeted for 2023.
[33] The purchase and install of a 545 kW diesel engine at the Mary's Harbour Diesel Generating Station was approved for $0.1 million.
[34] 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.
[35] The rotor rim shrinking and stator recentering at the Upper Salmon Station was approved for $4.0 million, of which $3.0 million is budgeted for 2023.
[36] Four projects at the Holyrood TGS were approved—the refurbishment of the 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.
[37] 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.
[38] The replacement and weld refurbishment of Penstock 1 at Bay d'Espoir Facility was approved for $50.6 million, of which $2.1 million is budgeted for 2023.
[39] The replacement of last stage blades on Units 1 and 2 at the Holyrood TGS, including the purchase of a second set of last stage blades and an *in-situ* inspection of the Unit 2 last stage blades, was approved for $6.4 million, of which $3.6 million is budgeted for 2023.
[40] The construction and installation of seven ultra-fast Direct Current Fast Chargers along the Trans-Canada Highway was approved for $2.1 million, of which $62,500 is budgeted for 2023.
[41] In *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 15(2022), Board of Commissioners of Public Utilities, May 6, 2022, the Board approved an Upstream Capacity Charge contribution of ($0.3) million to be received subsequent to 2023.

Table 13: Capital Expenditures Approved by Hydro for the Quarter Ended September 30, 2023 ($000)

Investment Class	Title	Total Budget	Project/Program	Description
Service Enhancement	Diesel Genset Replacement Unit 2090 Charlottetown and Unit 2044 Mary's Harbour	401.0	Project	The project involved installing Unit 2090 in Charlottetown and installing Unit 2044 in Mary's Harbour. Unit 2090 will be winterized with remote equipment that will provide three winterized units on site, each well-suited to carry the winter load in Charlottetown.

In addition, there were CIACs carried forward from the 2022 capital program and supplemental CIACs approved by the Board totalling $3 million. The 2023 capital budget as at September 30, 2023, net of CIACs, was $143 million.

6.2 Capital Expenditures

Table 14 provides an overview of Hydro's capital expenditures for the current quarter, which was consistent with Hydro's budget.

Table 14: Capital Expenditures Overview for the Quarter Ended September 30, 2023 ($000)[42]

	Board-Approved Budget 2023	Q3 Actual 2023	YTD Actual 2023	Expected Remaining Expenditures 2023
Generation	36,684	14,631	22,644	18,576
Transmission and Rural Systems	70,417	20,763	44,388	25,633
General Properties	10,067	2,772	7,823	4,613
Allowance for Unforeseen Expenditures	1,000	-	-	167
Subtotal	**118,169**	**38,165**	**74,855**	**48,989**
Projects Approved by Board Order[43]	27,671	8,632	20,854	9,633
New Projects less than $750,000 Approved by Hydro[44]	523	56	117	403
Total 2023[45,46]	**146,363**	**46,853**	**95,826**	**59,025**
Costs excluded from Capital Reporting:				
FEED Costs[47]	-	287	264	-

6.3 2023 Capital Projects Progress

Hydro's approved planned capital projects continue to advance through stages of planning, design, procurement, and construction. It is typical for most of Hydro's capital construction activity to take place in the second, third, and fourth quarters each year. Additionally, throughout the year, certain unplanned capital work arises that must be addressed ("break-in work"), which may have an impact on the amount

[42] Numbers may not add due to rounding.
[43] The 'Projects Approved by Board Order' is comprised of $9.3 million, which was approved for 2023 spend, and $5.8 million, which is new supplemental projects approved during 2023, totalling $15.1 million of 2023 spend. In addition, there was $12.6 million that was previously approved and carried forward.
[44] The 'New Projects less than $750,000 approved by Hydro' is comprised of $0.4 million, which are new projects approved by Hydro in 2023. In addition, there was $0.1 million that was previously approved and carried forward.
[45] Expenditures are before CIACs.
[46] Table 14 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, Muskrat Falls Project Exemption Order-in-Council OC2013-342, and NLR 120/13). Expenditures related to these modifications were approximately $46,000 in the current quarter.
[47] These costs represent FEED costs incurred.

of planned work that can be performed. Hydro's actual and forecast expenditures relative to the approved budget are provided in Chart 11.

Hydro monitors project scope, schedule, and cost for its capital projects and programs and updates the forecast throughout the year, as required. To the end of the current quarter, Hydro's expenditures were 8% lower than budget, primarily as a result of a shift in expenditures to later in 2023 and 2024 for some projects and programs. The overall forecast for 2023, last updated in August 2023, is 5.8% higher than the approved budget. This is primarily a result of forecast increased contract and material costs as well as more than anticipated in-service failures and refurbishment work for a number of capital projects and programs, partially offset by a number of scopes of work expected to carry over to 2024. As required by the provisional Capital Budget Application Guidelines,[48] explanations will be provided for all variances exceeding 10% and $100,000 at year-end, as part of Hydro's Capital Expenditures and Carryover Report to be filed by April 1, 2024.[49]

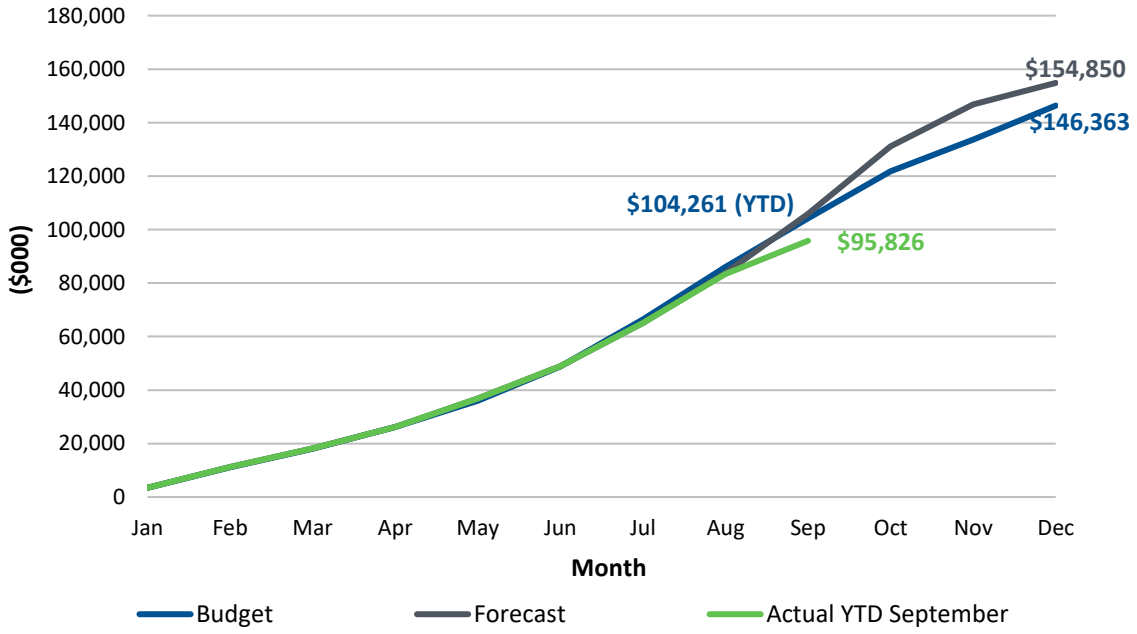


Chart 11: 2023 Capital Program Forecast vs Budget

[48] "Capital Budget Application Guidelines (Provisional)," Board of Commissioners of Public Utilities, January 2022. <http://pub.nl.ca/PU/guidelines/Capital%20Budget%20Application%20Guidelines%20(Provisional)%20-%202021-12-20.PDF>.
[49] Pursuant to *Public Utilities Act*, RSNL 1990, c P-47, s. 41(4), "A public utility shall submit a report on its actual expenditures on improvements or additions to its property in the prior calendar year, together with an explanation as to expenditures in excess of those approved under subsection (1) not later than April 1 in each year."

A high-level summary of the planned and break-in construction activities completed during the current quarter is provided in Table 15.

Table 15: Highlights of Planned and Break-In Work Completed

Asset Category	Planned Work Q3 2023	Break-In Work Q3 2023
Hydraulic Generation	The Unit 5 generator bearing cover seals were installed at the Bay d'Espoir Facility. Unit 1 was overhauled at the Cat Arm Station. The generator surface air coolers for Units 1 and 2 were replaced at the Cat Arm Station. The station service line communication link was upgraded at the Cat Arm Station. The unit was disassembled and the rotor rim shrink was completed at the Upper Salmon Station. Completion of the unit reassembly and stator recentering is expected in the fourth quarter.	The braking system was replaced on a road grader at the Bay d'Espoir Facility.
Thermal Generation	The Unit 1 and Unit 3 boiler condition assessments and miscellaneous upgrades were completed at the Holyrood TGS. The station service and Unit 3 distributed control systems hardware was upgraded at the Holyrood TGS. The Unit 3 potential transformers were replaced at the Holyrood TGS.	The Unit 1 low load isolator valve was replaced at the Holyrood TGS. The stairs were refurbished on the heavy oil fuel storage Tanks 2, 3, and 4 at the Holyrood TGS.
Gas Turbine Generation	-	A fire panel was replaced at the Hardwoods Gas Turbine. A spare air starter was procured for the Happy Valley Gas Turbine.

Asset Category	Planned Work Q3 2023	Break-In Work Q3 2023
Terminal Stations	Circuit breakers were replaced at the Bay d'Espoir, Buchans, and Wabush Terminal Stations. Circuit breakers were refurbished at the Deer Lake, St. Anthony Airport, and Peter's Barren Terminal Stations. Disconnect switches were replaced at the Wabush and Churchill Falls Terminal Stations. Instrument transformers were replaced at the Hardwoods, Holyrood, and Wabush Terminal Stations. Transformer component refurbishments were completed at the Massey Drive, Vanier, Western Avalon, and Oxen Pond Terminal Stations. Protection upgrades were completed at the Stony Brook and Wabush Terminal Stations. The station yard was extended at the Wabush Terminal Station. The new control building was constructed at the Wabush Substation. A fire protection system was installed at the Massey Drive Terminal Station.	Power transformer protective devices were replaced at various locations.
Transmission	Wood pole line refurbishment was completed for TL215 and TL233. Electric vehicle charging stations were installed at Hydro's offices at Port Saunders and St. Anthony.	-
Rural Generation	Roof replacements were completed at the St. Anthony and Makkovik Diesel Generating Stations.	-

Asset Category	Planned Work Q3 2023	Break-In Work Q3 2023
Telecontrol	The 48 V battery banks for communications equipment were replaced at the powerhouse, intake control structure, and bypass control structure at the Granite Canal Station, the Granite Canal Hill microwave radio site, and the North Salmon Dam. Battery chargers were replaced at the bypass control structure at the Granite Canal Station and the Granite Canal Hill microwave radio site.	-
Transportation	All-terrain vehicles and cargo vans were procured.	-
Metering	Meters and metering equipment for wholesale and industrial customers were procured.	-

6.4 Integrated Annual Work Plan

Hydro has an Integrated Annual Work Plan consisting of capital and maintenance work for its generation, transmission, distribution, and other associated assets. Hydro's 2023 Integrated Annual Work Plan completion target is 90%. As of the end of the current quarter, Hydro had completed approximately 64% of forecasted planned activities for the year. Results for Annual Work Plan activities are provided in Table 16.

Table 16: Annual Work Plan Activity

YTD Actual			2023 Forecast		
Planned	**Completed**	**%**	**Baseline**	**Scheduled**	**%**
4,699	4,427	94.2	6,922	6,877	99.3

7.0 Financial

7.1 Statement of Income

Q3				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
			Revenue				
96,552	95,703	96,029	Energy Sales	469,020	465,851	466,803	636,290
1,469	1,429	1,470	Other Revenue	12,938	4,295	10,941	5,795
98,021	**97,132**	**97,499**		**481,958**	**470,146**	**477,744**	**642,085**
			Expenses				
39,040	35,213	32,023	Operating Costs	111,266	103,153	97,585	136,146
12,957	13,872	11,766	Fuels	168,413	165,169	163,533	244,857
11,426	11,535	13,195	Power Purchased	46,071	41,281	47,753	54,786
22,252	22,425	22,073	Amortization	64,645	64,850	66,112	87,597
808	540	(16)	Other Expense	1,669	1,618	1,431	2,157
20,981	20,542	22,112	Interest	63,627	64,398	66,625	85,174
107,464	**104,127**	**101,153**		**455,691**	**440,469**	**443,039**	**610,717**
(9,443)	**(6,995)**	**(3,654)**	**Net Income (Loss)**	**26,267**	**29,677**	**34,705**	**31,368**

Net loss for the three months ended September 30, 2023 was $9.4 million when compared to $3.7 million for the same period in 2022, an increase of $5.7 million and primarily related to higher operating costs. Net income for the nine months ended September 30, 2023 was $26.3 million, compared to $34.7 million for the same period in 2022, a decrease of $8.4 million. The decrease is primarily due to higher operating costs partially offset by increased demand revenue and savings in amortization related to the life extension of the Holyrood TGS.

8.0 People and Community

8.1 Diversity and Inclusion

8.1.1 Equity, Diversity, and Inclusion Participation Requests

Hydro has been on its equity, diversity, and inclusion journey for some time and is in the process of developing the next phase of its multi-year strategy. At the same time, Hydro is working on its Accessibility Plan, as required by the *Accessibility Act*.[50] Both of these pieces of work are moving us toward a more inclusive Hydro.

[50] *Accessibility Act*, SNL 2021, c A-1.001.

Various forms of consultation have taken place with internal subject matter experts on Hydro's business and with external organizations who work in support of equity-seeking groups. Hydro has also launched an employee input phase and has made calls for expressions of interest to participate in these important pieces of work. Work on these initiatives, including further employee consultation, continues.

8.1.2 National Day for Truth and Reconciliation

Each year, since its inception, Hydro recognizes National Day for Truth and Reconciliation (September 30), which acknowledges and honours the tragic legacy of the residential school system. Hydro, aligning with the provincial government, recognized this day as a part of the 2023 statutory holiday offerings and encouraged staff to take time to reflect, learn more, and partake in their own personal act of reconciliation.

An informative session was held for employees to learn more about Indigenous Relations at Hydro.

8.2 Community Initiatives

During the current quarter, Hydro continued to work with its community partners on several important initiatives throughout the province.

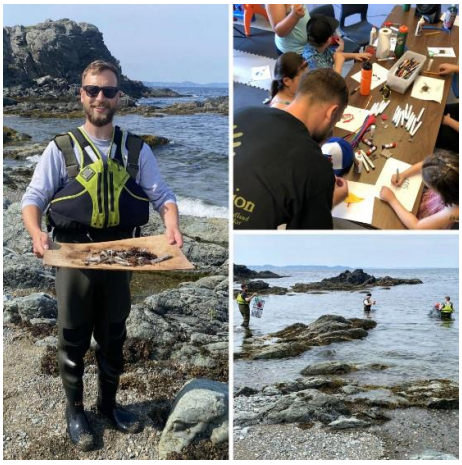
8.2.1. The Red Shoe Crew Walk for Families

In September 2023, Hydro was proud to return as the presenting sponsor for the annual Ronald McDonald House Charities Newfoundland and Labrador Red Shoe Crew Walk for Families. The walk, which takes place in communities throughout the province, raises much-needed funds to support the facility and programs for families who stay at Ronald McDonald House while their child is in St. John's for medical treatment.

Hydro employees in cities and towns throughout the province participated in the walk this year. Darlene Hancock, from Hydro's Bishop's Falls office, helped lead the walk in her community. In total, Darlene's team raised more than $16,000 for Ronald McDonald House Charities Newfoundland and Labrador.

Hydro has been a long-time partner of Ronald McDonald House Charities Newfoundland and Labrador, supporting Ronald McDonald House through volunteering, in-kind, and financial contributions since it opened in 2012.

8.2.2. Annual Student Green Team



This summer, Hydro collaborated with Conservation Corps Newfoundland and Labrador to sponsor a student Green Team. Each year, Green Teams around the province complete environmental and conservation work in their communities.

For 2023, Hydro's contribution supported a team in the Twillingate and New World Islands area. The team engaged local youth through a series of environmental day camps that conducted marine vegetation surveys, monitored water quality, and inventoried marine debris to create data that would help create a baseline study of the area's coastal environments. Through its partnership with Conservation Corps Newfoundland and Labrador, Hydro recognizes not only the impact of the work done by the teams but also the importance of supporting the next generation of environmental and conservation champions.

8.2.3. Go Girls Programs

In August 2023, Hydro joined Big Brothers Big Sisters of Eastern Newfoundland for their tenth annual Go Girls Golf Tournament, both as a corporate sponsor and as a participating team. The tournament raises money to ". . . support girls and those who identify as female and non-binary through our 'Go Girls! Healthy Bodies, Healthy Minds' mentoring program. . . a diversity mentoring program designed to address the physical activity, balanced eating, and positive self-image needs of girls ages 10-13."[51]

[51] "Go Girls Golf Tournament," Big Brothers Big Sisters of Eastern Newfoundland. <https://newfoundland.bigbrothersbigsisters.ca/event/go-girls-golf/>.

The 26 participating teams hit the links in Hydro-sponsored golf carts in support of this important program. With its commitment to diversity and inclusion, Hydro was proud to again be part of this year's tournament and the efforts of Big Brothers Big Sisters of Eastern Newfoundland in building awareness and support for such an important community initiative.

In Board Order No. P.U. 31(2007), the Board directed Hydro to provide quarterly updates on the Ramea Wind-Hydrogen-Diesel project as part of its quarterly report to the Board.[52]

On March 22, 2023, Hydro filed an application proposing to decommission the hydrogen components of the Wind-Hydrogen-Diesel System, as they are not used or useful and their removal will not adversely affect the reliability of the service Hydro provides.[53] Hydro advised that the wind farm assets that form part of the Wind-Hydrogen-Diesel System would remain in place while Hydro continues to pursue partnership opportunities with independent power producers. A further application will be made once there is a finalized plan regarding these assets. Hydro's application to decommission the hydrogen components was approved in Board Order No. P.U. 10(2023).[54]

9.0 Ramea

9.1 Capital Costs

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

9.2 Operating Costs

The wind turbines were not operational during the current quarter; therefore, no costs were incurred.

9.3 Reliability and Safety Issues

The wind turbines were not operational during the current quarter; as such, there are no safety issues to report.

[52] *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.
[53] "Abandonment of Hydrogen System – Ramea Wind-Hydrogen-Diesel Generation Project," Newfoundland and Labrador Hydro, March 22, 2023. <http://pub.nl.ca/applications/NLH2023RameaWindHydrogen/app/From%20NLH%20-%20Application%20for%20the%20Abandonment%20of%20the%20Hydrogen%20System%20Portion%20of%20the%20Ramea%20Wind-Hydrogen-Diesel%20Generation%20Project%20-%202023-03-22.PDF>.
[54] *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
21-Aug-2023	Newfoundland Power and CBPP	Protection trip	16,119	0 hours, 7 minutes
14-Sep-2023	Labrador West	Adverse weather (lightning)	4,358	3 hours, 22 minutes

Appendix B

Major Events Excluded From Performance Index Tables

Major Events

Table B-1: Major Events Excluded From Performance Index Tables[1]

Year	Event Description	End Customer SAIDI	End Customer SAIFI	Service Continuity SAIDI	Service Continuity SAIFI	Transmission T-SAIDI	Transmission T-SAIFI
2023	No major events	N/A	N/A	N/A	N/A	N/A	N/A
2022	TL214 outage due to extreme winds	0.26	0.03	0.00	0.00	35.67	0.03
	Outage to the Great Northern Peninsula[2]	0.38	0.03	2.93	0.20	91.92	0.23
	Outage to the Connaigre Peninsula 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	A 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
2018	A windstorm affecting TL214 on the southwest coast of Newfoundland	0.17	0.00	0.00	0.00	11.89	0.00
	A 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

July 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)																															
	GT (123.5 MW)																															
	Diesels (10 MW)																															
Hardwoods	GT (50 MW)							25	25	25	25	25	25	25	25	25																
Stephenville	GT (50 MW)																															
St. Anthony	(9.7 MW)	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85
Hawkes Bay	(5 MW)																															

Available
Available Derated
Unavailable

August 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)																															
	GT (123.5 MW)																															
	Diesels (10 MW)																															
Hardwoods	GT (50 MW)																															
Stephenville	GT (50 MW)																															
St. Anthony	(9.7 MW)	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85
Hawkes Bay	(5 MW)																															

Available
Available Derated
Unavailable

September 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
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)																														
	GT (123.5 MW)																														
	Diesels (10 MW)																														
Hardwoods	GT (50 MW)																														
Stephenville	GT (50 MW)																														
St. Anthony	(9.7 MW)	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Hawkes Bay	(5 MW)																														

Available
Available Derated
Unavailable

Appendix D

Supplemental Reliability Information

1.0 Service Continuity Performance

1.1 Service Continuity by Outage Type

Service Continuity SAIDI and SAIFI performance data, by outage type, are provided in Table D-1 and Table D-2, respectively. Hydro uses the average of each index for the period 2018 to 2022 to establish its annual targets for 2023 for these indexes.

Table D-1: Service Continuity SAIDI (Hours per Customer)[1]

	Q3		YTD			Annual Target
	2023	2022	Target	2023	2022	2023
Planned	2.63	2.81	N/A	5.25	5.46	N/A
Unplanned	1.57	3.26	N/A	6.79	8.92	N/A
Planned and Unplanned	**4.20**	**6.07**	**14.19**	**12.04**	**14.38**	**18.47**

Table D-2: Service Continuity SAIFI (Interruptions per Customer)

	Q3		YTD			Annual Target
	2023	2022	Target	2023	2022	2023
Planned	0.24	0.33	N/A	0.72	0.78	N/A
Unplanned	0.93	1.11	N/A	4.21	3.37	N/A
Planned and Unplanned	**1.17**	**1.44**	**3.98**	**4.93**	**4.15**	**5.48**

1.2 Service Continuity Performance by Area

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

[1] Numbers may not add due to rounding.

[2] Hydro has aligned its geographical areas with its internal reporting; Northern and Central Regions within Transmission and Rural Operations were combined into 'Island Region.'

Table D-3: Service Continuity SAIDI

	Q3		YTD	
Area	**2023**	**2022**	**2023**	**2022**
Labrador Region	8.16	7.44	19.11	17.46
Island Region	1.68	5.21	7.53	12.42
All Areas[3]	**4.20**	**6.08**	**12.04**	**14.38**

Table D-4: Service Continuity SAIFI

	Q3		YTD	
Area	**2023**	**2022**	**2023**	**2022**
Labrador Region	0.57	1.83	7.81	4.26
Island Region	2.10	1.19	3.09	4.08
All Areas[4]	**1.17**	**1.44**	**4.93**	**4.15**

1.3 Service Continuity Performance by Origin

Service continuity SAIDI and SAIFI values, broken down by origin, are provided in Table D-5 and Table D-6, respectively.[5]

Table D-5: Service Continuity SAIDI (Hours per Customer)[6]

	Q3		12 Months-to-Date		Average
Origin	**2023**	**2022**	**2023**	**2022**	**2018–2022**
Loss of Supply: Transmission	0.63	1.94	5.16	8.28	10.71
Distribution	3.57	4.14	9.98	13.58	7.76
Overall SAIDI	**4.20**	**6.08**	**15.14**	**21.86**	**18.47**

Table D-6: Service Continuity SAIFI (Interruptions per Customer)[7]

	Q3		12 Months-to-Date		Average
Origin	**2023**	**2022**	**2023**	**2022**	**2018–2022**
Loss of Supply: Transmission	0.49	0.37	3.29	2.56	3.07
Distribution	0.68	1.07	2.41	3.85	2.41
Overall SAIFI	**1.17**	**1.44**	**5.70**	**6.41**	**5.48**

[3] All areas performance indicators are calculated using all of Hydro Rural customers; therefore, the area performances cannot be summed to provide all areas performances.
[4] All areas performance indicators are calculated using all of Hydro Rural customers; therefore, the area performances cannot be summed to provide all areas performances.
[5] Hydro is updating some reliability tracking processes and is currently unable to provide segmented loss of supply statistics for Newfoundland Power, Isolated, and L'Anse-au-Loup systems. Reporting will resume when available.
[6] Numbers may not add due to rounding.
[7] Numbers may not add due to rounding.

1.4 Service Continuity Performance by Type

Service Continuity SAIDI and SAIFI values by type, broken down by geographical area, are provided in Table D-7. The area performance indicators are calculated using the area customer count.

Table D-7: Service Continuity by Interruption Type[8]

	Q3 2023 Unplanned		Q3 2023 Planned		Q3 2023 Total	
Area	**SAIDI**	**SAIFI**	**SAIDI**	**SAIFI**	**SAIDI**	**SAIFI**
Island Region	1.45	0.49	0.23	0.08	**1.68**	**0.57**
Labrador Region	1.76	1.62	6.40	0.49	**8.16**	**2.10**
All Areas	1.57	0.93	2.63	0.24	**4.20**	**1.17**

1.5 Service Continuity Customer Interruptions by Cause

Service Continuity interruptions, grouped by cause, are provided in Table D-8.

Table D-8: Service Continuity by Cause of Interruption[9]

	Q3 2023		YTD	
Cause	**SAIDI**	**SAIFI**	**SAIDI**	**SAIFI**
Adverse Environment	0.00	0.00	0.00	0.00
Adverse Weather	0.00	0.00	0.15	0.04
Defective Equipment	0.15	0.06	0.64	0.21
Environment: Corrosion	0.01	0.01	0.03	0.02
Environment: Salt Spray	0.00	0.00	0.08	0.02
Foreign Interference	0.00	0.00	0.00	0.00
Foreign Interference: Object	0.11	0.05	0.12	0.05
Foreign Interference: Vehicle	0.08	0.04	0.14	0.06
Human Error	0.00	0.00	0.05	0.03
Loss of Supply	0.63	0.49	3.62	2.94
Lightning	0.41	0.14	0.42	0.15
Scheduled Outage: Planned	2.63	0.24	5.25	0.72
Tree Contacts	0.00	0.00	0.65	0.14
Undetermined/Other	0.17	0.14	0.88	0.55
Total	**4.20**	**1.17**	**12.04**	**4.93**

[8] Numbers may not add due to rounding.
[9] Numbers may not add due to rounding.

2.0 Transmission System Average Restoration Index

Hydro's 2023 YTD T-SARI[10] was 94 minutes per interruption compared to 140 minutes per interruption for 2022 YTD. Hydro does not establish a restoration index target.

Chart D-1 shows the annual YTD T-SARI performance from 2019 to 2023 and the EC 2019 to 2021 annual T-SARI performances.[11]

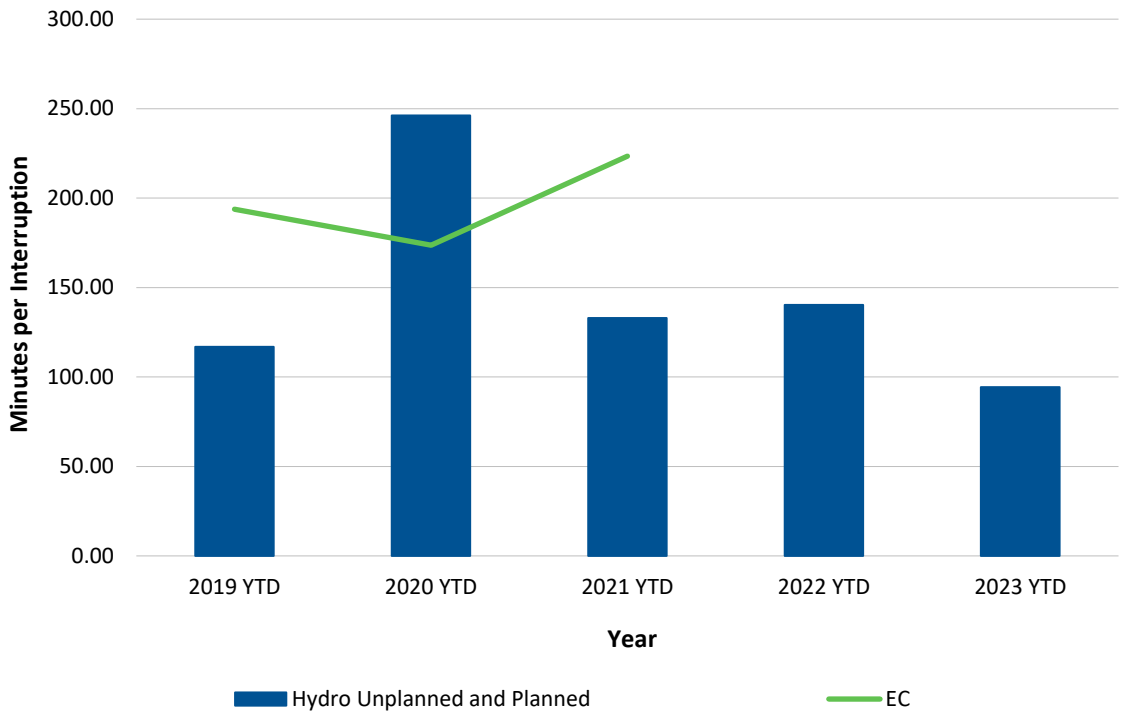


Chart D-1: T-SARI Measurements 2019–2023[12]

3.0 Under Frequency Load Shedding

Performance data for UFLS events and UFLS undersupplied energy, by customer breakdown, are provided in Table D-9 and Table D-10, respectively. The annual UFLS target has historically been set at six events. Hydro does not establish a UFLS event YTD target or UFLS undersupplied energy targets. Performance data for UFLS events is provided in Chart D-2.

[10] T-SARI is calculated based on numbers that have not been rounded; therefore, T-SARI may not equate to T-SAIDI divided by T-SAIFI as presented in this report due to rounding.
[11] EC reliability data is published annually. EC Transmission reliability data is not currently available for 2022.
[12] EC reliability data is published annually. EC Transmission reliability data is not currently available for 2022.

Table D-9: Customer Breakdown of UFLS Events

	Q3		12 Months-to-Date		Annual Target	Average
Customer	**2023**	**2022**	**2023**	**2022**	**2023**	**2018–2022**
Newfoundland Power	1	0	3	2	N/A	2.0
Industrials	1	0	5	1	N/A	1.6
Hydro Rural	0	0	0	0	N/A	0
Total Events[13]	**1**	**0**	**3**	**2**	**6**	**2.0**

Table D-10: Customer Breakdown of UFLS Undersupplied Energy (MW-min)

	Q3		12 Months-to-Date		Average
Customer	**2023**	**2022**	**2023**	**2022**	**2018–2022**
Newfoundland Power	245	0	7,303	2,266	3,512.2
Industrials	28	0	525	240	277.0
Hydro Rural	0	0	0	0	0
Total Undersupplied Energy[14]	**273**	**0**	**7,828**	**2,506**	**3,789.2**

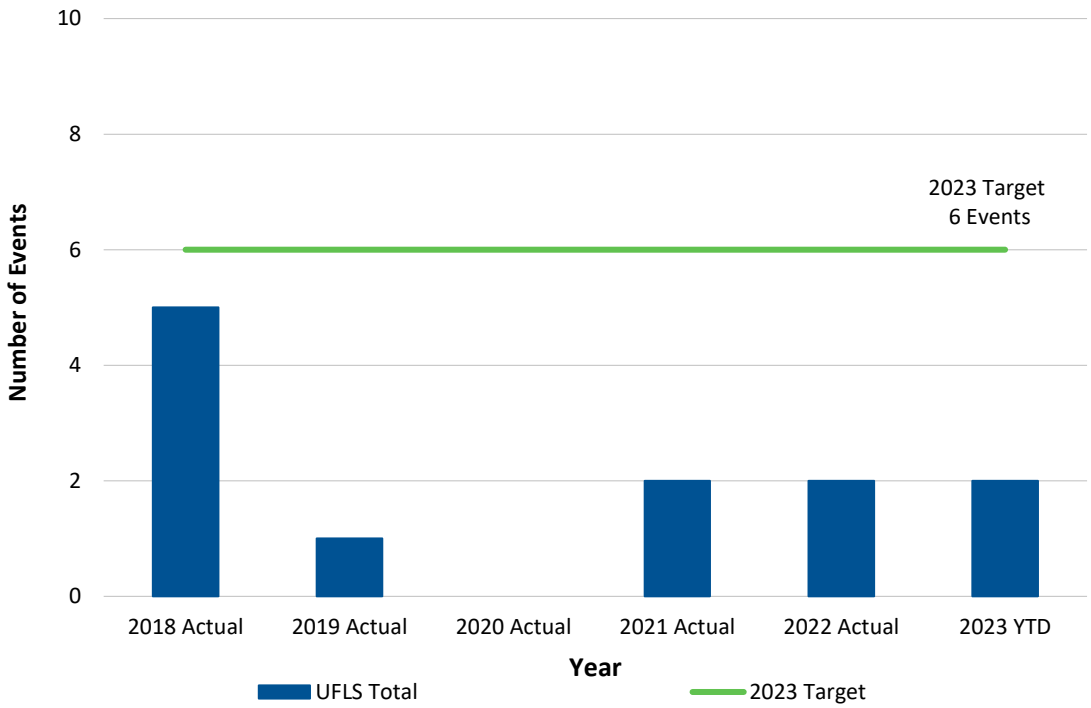


Chart D-2: UFLS Events

[13] As individual UFLS events can affect customer types differently, totals may not be the sum of the customer types.
[14] As individual UFLS events can affect customer types differently, totals may not be the sum of the customer types.

Appendix E

Financial Schedules

Balance Sheet - Regulated Operations
as at September 30, 2023
($000)[1]

	September 2023	September 2022
Assets		
Current Assets		
Cash and Cash Equivalents	9,220	7,409
Accounts Receivable	75,423	54,698
Current Portion of Sinking Funds	9,275	7,558
Inventory	121,641	129,951
Contract Receivable[2]	8,017	-
Due from Related Parties	366	185
Prepaid Expenses	8,728	9,977
Related Party Note Receivable	-	6,950
Promissory Note - Non-Regulated	-	4,269
	232,670	**220,997**
Property, Plant, and Equipment	2,285,353	2,227,246
Intangible Assets	5,158	5,332
Sinking Funds	196,073	197,494
Right-of-Use Assets	2,456	2,486
Regulatory Assets	605,832	412,875
Long-Term Receivable	208	218
Total Assets	**3,327,750**	**3,066,648**
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	110,297	62,805
Accrued Interest	23,656	23,633
Current Portion of Long-Term Debt	6,650	6,650
Deferred Credits	4,222	3,482
Current Portion of Deferred Contributions	993	1,016
Current Portion of ARO	1,401	1,456
Due to Related Parties	21,662	15,650
Current Portion of Contract Payable	278,091	129,472
Promissory Notes	48,000	59,000
Promissory Note - Non-Regulated	10,804	-
	505,776	**303,164**
Deferred Contributions	65,068	63,773
Long-Term Payable	824	824
Long-Term Debt	2,019,738	2,038,960
Lease Liability	2,578	2,566
Regulatory Liabilities	13,685	6,531
Asset Retirement Obligations	16,325	13,278
Employee Future Benefits	69,093	96,799
Contract Payable	37,228	-
Contributed Capital	100,000	100,000
Retained Earnings	474,187	446,312
Accumulated Other Comprehensive Income (Loss)	23,248	(5,559)
Total Liabilities and Shareholder's Equity	**3,327,750**	**3,066,648**

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

[2] Payments under the LIL TFA commenced in April 2023. The contract receivable balance represents the timing difference between the expense recognition of the value of the service delivered to Hydro and the contractual payments made under the TFA.

Statement of Income (Loss) - Regulated Operations
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD			Annual
2023 Actual	**2023 Budget**	**2022 Actual**		**2023 Actual**	**2023 Budget**	**2022 Actual**	**2023 Budget**
			Revenue				
96,552	95,703	96,029	Energy Sales	469,020	465,851	466,803	636,290
1,469	1,429	1,470	Other Revenue	12,938	4,295	10,941	5,795
98,021	**97,132**	**97,499**		**481,958**	**470,146**	**477,744**	**642,085**
			Expenses				
39,040	35,213	32,023	Operating Costs	111,266	103,153	97,585	136,146
12,957	13,872	11,766	Fuels	168,413	165,169	163,533	244,857
11,426	11,535	13,195	Power Purchased	46,071	41,281	47,753	54,786
22,252	22,425	22,073	Amortization	64,645	64,850	66,112	87,597
808	540	(16)	Other Expense	1,669	1,618	1,431	2,157
20,981	20,542	22,112	Interest	63,627	64,398	66,625	85,174
107,464	**104,127**	**101,153**		**455,691**	**440,469**	**443,039**	**610,717**
(9,443)	**(6,995)**	**(3,654)**	**Net Income (Loss)**	**26,267**	**29,677**	**34,705**	**31,368**

[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 Comprehensive Income - Regulated Operations
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD		
2023 Actual	**2023 Budget**	**2022 Actual**		**2023 Actual**	**2023 Budget**	**2022 Actual**
(9,443)	(6,995)	(3,654)	Net Income (Loss)	26,267	29,677	34,705
			Other Comprehensive Loss			
(508)	-	-	Employee Future Benefit Actuarial Loss	(1,525)	-	-
(9,951)	**(6,995)**	**(3,654)**	**Total Comprehensive Income (Loss)**	**24,742**	**29,677**	**34,705**

[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 Nine Months Ended September 30, 2023
($000)[1]

	YTD 2023	YTD 2022
Operating Activities		
Net Income	26,267	34,705
Adjusted for Items not Involving Cash Flow		
Amortization of Property, Plant, and Equipment	64,645	66,097
Accretion of ARO and Long-Term Debt	1,597	1,061
Amortization of Deferred Contributions	(1,641)	(1,669)
Employee Future Benefits	1,512	2,802
Loss on Disposal of Property, Plant, and Equipment	-	2
Other	(11,858)	(10,096)
	80,522	**92,902**
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	21,624	52,743
Inventory	(22,649)	(45,797)
Prepaid Expenses	(3,021)	(3,813)
Regulatory Assets	(101,484)	(248,420)
Regulatory Liabilities	144	3,308
Accounts Payable and Accrued Liabilities	(16,549)	(11,876)
Contract Payable	149,853	111,900
Accrued Interest	(1,707)	(1,706)
Contract Receivable	(8,017)	-
Due to/from Related Parties	5,974	15,382
	104,690	**(35,377)**
Financing Activities		
Decrease in Long-Term Receivable	49	15
Decrease in Deferred Credits	1,211	950
Increase in Deferred Capital Contribution	2,996	10,385
Decrease in Promissory Notes	(69,485)	14,543
	(65,229)	**25,893**
Investing Activities		
Additions to Property, Plant, and Equipment	(97,749)	(67,434)
Removal Costs	(285)	(130)
Proceeds on Disposal	1,167	13
Additions to Intangible Assets	(484)	(1)
Increase in Sinking Funds	(6,650)	(6,650)
Decrease in Related Party Note Receivable	29,665	46,270
Changes in Non-Cash Working Capital Balances	27,828	3,039
	(46,508)	**(24,893)**
Net Decrease in Cash	(7,047)	(34,377)
Cash Position, Beginning of Period	16,267	41,786
Cash Position, End of Period	**9,220**	**7,409**

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

Revenue Summary - Regulated Operations
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
			Industrial				
6,668	9,967	7,149	Industrial	19,791	29,842	22,744	39,835
4,635	6,388	4,211	Industrial Load[2]	14,060	19,183	11,352	23,552
11,303	16,355	11,360	**Total Industrial**	33,851	49,025	34,096	63,387
			Utility				
68,954	63,806	61,618	Newfoundland Power	383,147	355,717	332,257	489,442
1,071	-	6,926	Utility Load[3]	(9,185)	-	37,691	-
70,025	63,806	68,544	**Total Utility**	373,962	355,717	369,948	489,442
15,224	15,542	16,125	**Rural**	61,207	61,109	62,759	83,461
			Other Revenue				
150	130	110	Sundry	526	388	1,039	517
411	402	405	Pole Attachments	1,221	1,207	1,217	1,611
544	505	552	Amortization of CIAC	1,641	1,523	1,669	2,098
-	-	30	Recovery of Supply Power[4]	8,456	-	5,898	-
364	392	373	Generation Demand Recovery	1,094	1,177	1,118	1,569
1,469	**1,429**	**1,470**	**Total Other Revenue**	**12,938**	**4,295**	**10,941**	**5,795**
98,021	**97,132**	**97,499**	**Total Revenue**	**481,958**	**470,146**	**477,744**	**642,085**

[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 ("SCVDA").

[3] 'Utility Load' represents the revenue load variance recognized through the SCVDA.

[4] '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.

Supplementary Schedule - Regulated Operations
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD			Annual
2023 Actual	**2023 Budget**	**2022 Actual**		**2023 Actual**	**2023 Budget**	**2022 Actual**	**2023 Budget**
			Interest				
			Interest Income				
3,661	3,540	3,438	Interest on Sinking Fund	10,740	10,459	10,125	14,034
735	835	297	Other Interest Income	3,026	2,221	1,112	3,105
4,396	**4,375**	**3,735**	**Total Interest Income**	**13,766**	**12,680**	**11,237**	**17,139**
			Interest Expense				
24,431	24,431	24,431	Interest on Long-Term Debt	73,294	73,294	73,294	97,725
1,235	3,015	478	Interest on Short-Term Debt	3,596	7,565	866	11,741
2,199	2,241	2,176	Debt Guarantee Fee	6,596	6,722	6,527	8,963
538	379	358	Accretion	1,598	1,122	1,061	1,500
(786)	(763)	(679)	RSP Interest	(2,281)	(2,239)	(2,115)	(2,937)
(1,664)	(3,681)	(612)	SCVDA Interest	(4,258)	(8,309)	(1,143)	(12,950)
19	12	12	Other	53	37	35	50
25,972	**25,634**	**26,164**	**Total Interest Expense**	**78,598**	**78,192**	**78,525**	**104,092**
(595)	(717)	(317)	Interest Capitalized during Construction	(1,205)	(1,114)	(663)	(1,779)
25,377	24,917	25,847		77,393	77,078	77,862	102,313
20,981	**20,542**	**22,112**	**Net Interest Expense**	**63,627**	**64,398**	**66,625**	**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.

Balance Sheet - Non-Regulated Activities
as at September 30, 2023
($000)[1]

	September	
	2023	**2022**
Assets		
Current Assets		
Accounts Receivable	3,690	6,290
Prepaid Expenses	1,009	960
Deferred Assets	21,422	13,914
Promissory Note Receivable	10,804	-
Due from Related Party	3,564	3,660
	40,489	**24,824**
Investment in CF(L)Co	721,023	690,517
Total Assets	**761,512**	**715,341**
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	5,308	3,779
Due to Related Party	20,625	12,232
Promissory Note	-	4,269
Derivative Liabilities	23,132	21,371
	49,065	**41,651**
Employee Future Benefits	3,418	4,781
Share Capital	22,504	22,504
Lower Churchill Development Corporation	15,400	15,400
Retained Earnings	664,866	633,917
Accumulated Other Comprehensive Income (Loss)	6,259	(2,912)
Total Liabilities and Shareholder's Equity	**761,512**	**715,341**

[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 Income - Non-Regulated Activities
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD			Annual
2023 Actual	2023 Budget	2022 Actual		2023 Actual	2023 Budget	2022 Actual	2023 Budget
			Revenue				
12,685	12,917	13,423	Energy Sales	41,810	42,978	44,099	58,322
4,713	5,253	4,720	Other Revenue	14,142	15,758	10,925	21,011
17,398	**18,170**	**18,143**		**55,952**	**58,736**	**55,024**	**79,333**
			Expenses				
1,958	204	885	Operating Costs	3,424	619	891	814
4,713	5,253	4,721	Transmission Rental	14,142	15,758	11,205	21,010
12,582	12,962	12,889	Power Purchased	37,599	38,098	38,124	50,851
(519)	-	(21,515)	Other Expense[2]	1,710	-	7,457	-
18,734	**18,419**	**(3,020)**		**56,875**	**54,475**	**57,677**	**72,675**
(1,336)	**(249)**	**21,163**	Net Operating (Loss) Income	**(923)**	**4,261**	**(2,653)**	**6,658**
			Other Revenue				
810	15,675	21,734	Equity in CF(L)Co	18,785	34,161	38,906	41,283
1,543	2,662	1,641	Preferred Dividends	5,165	6,494	5,814	11,399
2,353	**18,337**	**23,375**		**23,950**	**40,655**	**44,720**	**52,682**
1,017	**18,088**	**44,538**	**Net Income**	**23,027**	**44,916**	**42,067**	**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 Nine Months Ended September 30, 2023
($000)[1]

Q3			YTD	
2023 Actual	**2022 Actual**		**2023 Actual**	**2022 Actual**
663,807	591,507	Balance, Beginning of Period	645,843	603,496
1,017	44,538	Net Income	23,027	42,067
42	(2,127)	Dividends	(4,004)	(11,646)
664,866	**633,918**	Balance, End of Period	**664,866**	**633,917**

[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 Comprehensive Income - Non-Regulated Activities
for the Nine Months Ended September 30, 2023
($000)[1]

Q3				YTD			Annual
2023 Actual	**2023 Budget**	**2022 Actual**		**2023 Actual**	**2023 Budget**	**2022 Actual**	**2023 Budget**
1,017	18,088	44,538	Net Income	23,027	44,916	42,067	59,340
			Other Comprehensive Loss				
(243)	-	(400)	Share of CF(L)Co other Comprehensive Loss and Other	(235)	-	(2,711)	-
774	**18,088**	**44,138**	**Total Comprehensive Income**	**22,792**	**44,916**	**39,356**	**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 Nine Months Ended September 30, 2023
($000)[1]

	YTD	
	2023	**2022**
Operating Activities		
Net Income	23,027	42,067
Adjusted for Items not Involving Cash Flow		
Employee Future Benefits	268	363
Equity in CF(L)Co	(18,785)	(38,906)
Net Changes in PPA[2] Fair Value	1,710	7,457
Other	1	(1)
	6,221	**10,980**
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	4,476	3,073
Accounts Payable and Accrued Liabilities	(546)	582
Due to/from Related Parties	5,057	7,933
Prepaid Expenses	(370)	(368)
	14,838	**22,200**
Financing Activities		
Decrease in Promissory Notes	(13,515)	(10,543)
Dividends	(4,004)	(11,646)
	(17,519)	**(22,189)**
Investing Activities		
Changes in Non-Cash Working Capital Balances	2,681	(11)
	2,681	**(11)**
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.

[2] Power Purchase Agreement between Hydro and Energy Marketing.

Attachment 1

Rate Stabilization Plan Report

Quarter Ended September 30, 2023

Newfoundland and Labrador Hydro
Rate Stabilization Plan Report
September 30, 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).

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
September 30, 2023

	A Cost of Service Net Hydraulic Production (kWh)	B1 Actual Net Hydraulic Production (kWh)	B2 Net Ponded Energy (kWh)	B3 Spill Exports (kWh)	B Net Hydraulic Production for Variance Calculation (kWh)	C Monthly Net Hydraulic Production Variance (kWh)	D Cost of Service No. 6 Fuel Cost ($CDN/bbl)	E Net Hydraulic Production Variation ($)	F Financing Charges ($)	G Transfers	H Cumulative Variation and Financing Charges ($)
					(B1 + B2 - B3)	(A - B)		(C / O[1] X D)			(E + F) (to page 5)
Opening Balance											29,776,723
Adjustment											-
Adjusted Opening Balance											**29,776,723**
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	-	-	-	-	-	-	105.90	-	133,248	-	30,306,210
May	-	-	-	-	-	-	105.90	-	133,837	-	30,440,047
June	-	-	-	-	-	-	105.90	-	134,428	-	30,574,475
July	-	-	-	-	-	-	105.90	-	135,021	-	30,709,496
August	-	-	-	-	-	-	105.90	-	135,618	-	30,845,114
September	-	-	-	-	-	-	105.90	-	136,216	-	30,981,330
October											
November											
December											
YTD	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**1,204,607**	**-**	**30,981,330**

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

Rate Stabilization Plan
Summary of Utility Customer
September 30, 2023

	A	B	C	D	E	F	G	H
	Load Variation ($)	**Allocation Fuel Variance ($)**	**Allocation Rural Rate Alteration ($)**	**Subtotal Monthly Variances ($)**	**Financing Charges ($)**	**Adjustment[1,2] ($)**	**Transfers[3] ($)**	**Cumulative Net Balance ($)**
				(A + B + C)				**(to page 5)**
Opening Balance								16,963,988
Adjustment								-
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	-	-	-	-	116,306	124,968	-	26,577,798
May	-	-	-	-	117,371	103,505	-	26,798,674
June	-	-	-	-	118,347	85,010	-	27,002,031
July	-	-	-	-	119,245	(1,522,761)	-	25,598,515
August	-	-	-	-	113,047	(1,492,099)	-	24,219,463
September	-	-	-	-	106,957	(1,533,460)	-	22,792,960
October								
November								
December								
YTD	-	-	-	-	**919,019**	**(3,775,298)**	**8,685,251**	**5,828,972**
Hydraulic Allocation **(from page 2)**								-
Total	**-**	**-**	**-**	**-**	**919,019**	**(3,775,298)**	**8,685,251**	**22,792,960**

[1] Effective July 1, 2022 to June 30, 2023, the RSP Adjustment rate is (0.023) cents per kWh as per Board Order No. P.U. 19(2022).

[2] Effective July 1, 2023, the RSP Adjustment rate is 0.496 cents per kWh as per Board Order No. P.U. 15(2023).

[3] Recovery of the 2022 Isolated Systems Supply Costs Deferral was approved in Board Order No. P.U. 7(2023).

Rate Stabilization Plan
Summary of Industrial Customers
September 30, 2023

	A	B	C	D	E	F	G
	Load Variation ($)	**Allocation Fuel Variance ($)**	**Subtotal Monthly Variances ($)**	**Financing Charges ($)**	**Adjustment[1] ($)**	**Transfers ($)**	**Cumulative Net Balance ($)**
			(A + B)				**(to page 5)**
Opening Balance							5,549,727
Adjustment							-
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	-	-	-	18,293	(486,870)	-	3,673,617
May	-	-	-	16,223	(246,805)	-	3,443,035
June	-	-	-	15,205	(109,360)	-	3,348,880
July	-	-	-	14,789	(272,025)	-	3,091,644
August	-	-	-	13,653	(452,761)	-	2,652,536
September	-	-	-	11,714	(476,668)	-	2,187,582
October							
November							
December							
YTD	-	-	-	**157,328**	**(3,519,473)**	**-**	**(3,362,145)**
Hydraulic Allocation **(from page 2)**							-
Total	**-**	**-**	**-**	**157,328**	**(3,519,473)**	**-**	**2,187,582**

[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
September 30, 2023

	A	B	C	D
	Hydraulic Balance ($)	**Utility Balance ($)**	**Industrial Balance ($)**	**Total To Date ($)**
				(A + B + C)
	(from page 2)	**(from page 3)**	**(from page 4)**	
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	30,306,210	26,577,798	3,673,617	60,557,625
May	30,440,047	26,798,674	3,443,035	60,681,756
June	30,574,475	27,002,031	3,348,880	60,925,386
July	30,709,496	25,598,515	3,091,644	59,399,655
August	30,845,114	24,219,463	2,652,536	57,717,113
September	30,981,330	22,792,960	2,187,582	55,961,872
October				
November				
December				

Attachment 2

Supply Cost Variance Deferral Account Report

Quarter Ended September 30, 2023

Newfoundland and Labrador Hydro
Supply Cost Variance Deferral Account
September 30, 2023

Summary of Key Facts

In Board Order No. P.U. 33(2021), the Board of Commissioners of Public Utilities ("Board") approved Hydro's 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 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, 2021.

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
September 30, 2023

	Supply Cost Variance Deferral Account Balance ($)[1,2] (from page 3)	Utility Balance ($) (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	207,618,980	(6,387,985)	-	**201,230,995**
February	192,419,865	(7,469,300)	-	**184,950,565**
March	20,059,048	(8,219,619)	-	**11,839,429**
April	55,416,417	(8,619,770)	-	**46,796,647**
May	105,120,896	(8,946,594)	-	**96,174,302**
June	155,804,863	(9,273,832)	-	**146,531,031**
July	215,142,687	(9,536,817)	-	**205,605,870**
August	124,311,753	(9,940,006)	-	**114,371,747**
September	153,697,183	(10,228,180)	-	**143,469,003**
October				
November				
December				

[1] In March 2023, the 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.

[2] In 2022, as part of the government's rate mitigation plan, Newfoundland and Labrador Hydro ("Hydro"), the Government of Newfoundland and Labrador and the Government of Canada signed term sheets enabling access, upon commissioning of the Labrador-Island Link ("LIL"), to a $1.0 billion investment by the Government of Canada in the LIL in the form of a convertible debenture. On August 15, 2023, the first drawing on the convertible debenture of $144.7 million was received by LIL (2021) Limited Partnership, and on August 28, 2023, the funds were transferred to Hydro for the purpose of rate mitigation, reducing the balance in the Supply Cost Variance Deferral Account.

Supply Cost Variance Deferral Account
Section A: Summary
September 30, 2023

	Muskrat Falls Project Cost Variance[1] ($)	Rate Mitigation Fund[2,3] ($)	Project Cost Recovery		Holyrood TGS[5] Fuel Cost Variance[6] ($)	Other IIS[7] Supply Cost Variance[6] ($)	Net Revenue From Exports Variance[8] ($)	Transmission Tariff Revenue Variance[9] ($)	Load Variation		Greenhouse Gas Credit Revenue Variance[10] ($)	Subtotal Monthly Variances ($)	Financing Charges		Transfers ($)	Cumulative Net Balance ($)
			Utility[4] ($)	Industrial ($)					Utility Variance ($)	Industrial Variance ($)			Utility ($)	Other ($)		
	(from page 6)	(from page 15)			(from page 7)	(from page 8)	(from page 9)	(from page 10)	(from page 11)	(from page 12)	(from page 14)					(to page 2)
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
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	(16,202,730)	(812,794)	(499,872)	(862,075)	13,086,281	1,367,244	3,962	10,741,167	(66,877)	759,534	-	207,618,980
February	19,400,443	-	(5,471,265)	-	(17,765,083)	(4,632,696)	(385,775)	(1,179,438)	(6,743,241)	1,080,034	(235,119)	(15,932,140)	(85,004)	818,029	-	192,419,865
March	20,390,107	(190,404,321)	(5,338,713)	-	11,674,220	(5,025,833)	(343,485)	(1,107,140)	(4,180,062)	1,295,997	(950)	(173,040,180)	(104,321)	783,684	-	20,059,048
April	40,844,451	-	(4,335,837)	-	2,987,365	(951,082)	(146,610)	(1,534,710)	(2,840,629)	1,263,600	-	35,286,548	(123,170)	193,991	-	55,416,417
May	59,641,132	-	(3,591,165)	-	(1,111,997)	(725,657)	(110,345)	(1,498,412)	(5,144,457)	2,049,725	-	49,508,824	(138,478)	334,133	-	105,120,896
June	60,819,151	-	(2,949,492)	-	(3,102,773)	(668,681)	(41,093)	(1,498,023)	(4,434,173)	2,368,795	(180,887)	50,312,824	(151,157)	522,300	-	155,804,863
July	61,225,265	-	(2,449,926)	-	(138,368)	(392,215)	(68,528)	(1,498,023)	161,981	1,947,549	-	58,787,735	(161,571)	711,660	-	215,142,687
August	56,198,307	(144,700,000)	(2,400,596)	-	(654)	(474,663)	(71,846)	(1,498,023)	(59,310)	1,414,565	1,697	(91,590,523)	(170,220)	929,809	-	124,311,753
September	60,909,116	-	(2,467,140)	-	(6,540,541)	(1,107,382)	(81,876)	(1,498,023)	969,035	1,272,044	(22,508,701)	28,946,532	(178,696)	617,594		153,697,183
October																
November																
December																
Year-to-Date	**399,223,126**	**(335,104,321)**	**(34,138,137)**	**-**	**(30,200,561)**	**(14,791,003)**	**(1,749,430)**	**(12,173,867)**	**(9,184,575)**	**14,059,553**	**(22,919,998)**	**(46,979,213)**	**(1,179,494)**	**5,670,734**	**-**	**(42,487,973)**
Total	**676,770,257**	**(335,104,321)**	**(53,080,224)**	**-**	**(95,502,834)**	**(42,905,788)**	**(34,825,140)**	**(22,287,027)**	**54,366,070**	**32,354,441**	**(35,332,515)**	**144,452,919**	**(1,313,135)**	**10,557,399**	**-**	**153,697,183**

[1] The LIL was commissioned on April 14, 2023, and Hydro began making payments under the Transmission Funding Agreement.

[2] In March 2023, the 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.

[3] In 2022, as part of the government's rate mitigation plan, Hydro, the Government of Newfoundland and Labrador and the Government of Canada signed term sheets enabling access, upon commissioning of the LIL, to a $1.0 billion investment by the Government of Canada in the LIL, in the form of a convertible debenture. On August 15, 2023, the first drawing on th convertible debenture of $144.7 million was received by LIL (2021) Limited Partnership, and on August 28, 2023, the funds were transferred to Hydro for the purpose of rate mitigation, reducing the balance in the Supply Cost Variance Deferral Account.

[4] As per Board Order No. P.U. 19(2022), the Board approved a Project Cost Recovery Rider of 0.798 cents per kWh that became effective as of July 1, 2022. There was no change to the Project Cost Recovery Rider effective July 1, 2023 as per Board Order No. P.U. 15(2023)

[5] Holyrood Thermal Generating Station ("Holyrood TGS").

[6] In 2021, Nalcor Energy ("Nalcor") commenced delivery of the Nova Scotia Block that, combined with limited LIL capacity, meant Hydro could not be delivered as much energy from the Muskrat Falls Hydroelectric Generating Facility as it would otherwise. Nalcor committed to indemnify Hydro for any damages suffered as a result of this reduction in deliveries includin compensating Hydro for incremental costs of fuel and/or imports over the Maritime Link. The 2023 balances reflect adjustments to the calculation to eliminate incremental costs incurred by Hydro as a result of reduced deliveries.

[7] Island Interconnected System ("IIS").

[8] In August 2023, an adjustment was made to July's export activity to reflect actual net exports for that month.

[9] Effective June 1, 2023, Hydro assigned its long-term transmission rights, including associated payment obligations, for a period of ten years to Nalcor Energy Marketing ("Energy Marketing"). Energy Marketing had been paying all costs associated with these rights under an interim agreement for the month of May, since Hydro's long-term rights commenced on May following commissioning of the LIL in April.

[10] In September 2023, Hydro sold 493,536 Greenhouse Gas Performance Credits within the province for $22.5 million through a request for bids.

Supply Cost Variance Deferral Account
Section B: Utility Customer Balance
September 30, 2023

	Allocation Rural Rate Alteration[1] ($)	Financing Charges ($)	Transfers ($)	Cumulative Net Balance ($)
	(from page 13)			(to page 2)
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	(371,131)	(29,020)	-	(8,619,770)
May	(296,391)	(30,433)	-	(8,946,594)
June	(295,651)	(31,587)	-	(9,273,832)
July	(230,243)	(32,742)	-	(9,536,817)
August	(369,518)	(33,671)	-	(9,940,006)
September	(253,080)	(35,094)	-	(10,228,180)
October				
November				
December				
Year-to-Date	**(4,181,828)**	**(261,895)**	**-**	**(4,443,723)**
Total	**(9,807,616)**	**(420,564)**	**-**	**(10,228,180)**

[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 Balance[1]
September 30, 2023

	Financing Charges ($)	Transfers ($)	Cumulative Net Balance ($) (to page 2)
Opening Balance	-	-	-
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October			
November			
December			
Year-to-Date	**-**	**-**	**-**
Total	**-**	**-**	**-**

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

Supply Cost Deferral Account
Muskrat Falls Project Cost Variances
September 30, 2023

	Muskrat Falls PPA Charges Actual ($) (A)	Muskrat Falls PPA Charges Test Year ($) ($A_T$)	TFA[1] Charges Actual[2] ($) (B)	TFA Charges Test Year ($) ($B_T$)	Total Variation ($) $(A - A_T) + (B - B_T)$ (to page 3)
January	19,795,154	-	-	-	**19,795,154**
February	19,400,443	-	-	-	**19,400,443**
March	20,390,107	-	-	-	**20,390,107**
April	20,016,506	-	20,827,945	-	**40,844,451**
May	19,144,430	-	40,496,702	-	**59,641,132**
June	21,561,722	-	39,257,429	-	**60,819,151**
July	21,043,075	-	40,182,190	-	**61,225,265**
August	19,303,954	-	36,894,352	-	**56,198,307**
September	20,768,263	-	40,140,853	-	**60,909,116**
October					
November					
December					
Total	**181,423,653**	**-**	**217,799,471**	**-**	**399,223,126**

[1] Transmission Funding Agreement ("TFA").

[2] LIL was commissioned on April 14, 2023. The April charges reflects the first payment of $20.8 million under the TFA for the partial period of April 15–30, 2023. The variances beginning in May 2023 reflect full months.

Supply Cost Deferral Account
Holyrood TGS Fuel Cost Variance
September 30, 2023

	Actual Quantity No. 6 Fuel (bbl.)	Actual Quantity No. 6 Fuel for Non-Firm Sales[1] (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) (to page 3)
January	214,813	1,882	212,931	132.67	28,395,149	421,132	105.90	44,597,879	**(16,202,730)**
February	188,565	21,427	167,138	123.76	20,685,830	363,087	105.90	38,450,913	**(17,765,083)**
March	253,675	7,004	246,671	124.03	30,594,526	178,662	105.90	18,920,306	**11,674,220**
April	116,278	151	116,127	121.38	14,095,110	104,889	105.90	11,107,745	**2,987,365**
May	47,617	141	47,476	118.91	5,645,271	63,808	105.90	6,757,267	**(1,111,997)**
June	-	307	(307)	118.91	(220)	29,297	105.90	3,102,552	**(3,102,773)**
July	(1,160)	4	(1,164)	118.91	(138,368)	-	105.90	-	**(138,368)**
August	-	5	(5)	118.91	(654)	-	105.90	-	**(654)**
September	-	10	(10)	118.91	(1,216)	61,750	105.90	6,539,325	**(6,540,541)**
October									
November									
December									
Total	**819,787**	**30,931**	**788,856**	**125.85**	**99,275,428**	**1,222,625**	**105.90**	**129,475,988**	**(30,200,561)**

[1] 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 Deferral Account
Other IIS Supply Cost Variance Summary
September 30, 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	(377,495)	(477,034)	(458,265)	-	(1,312,794)	(1,312,794)	(500,000)	(812,794)
February	(1,480,773)	(2,610,139)	(541,784)	-	(4,632,696)	(5,945,490)	(500,000)	(5,445,490)
March	1,077,734	(5,919,829)	(183,738)	-	(5,025,833)	(10,971,323)	(500,000)	(10,471,323)
April	(506,222)	(146,318)	(298,542)	-	(951,082)	(11,922,405)	(500,000)	(11,422,405)
May	(96,199)	-	(629,458)	-	(725,657)	(12,648,062)	(500,000)	(12,148,062)
June	(564,015)	-	(104,666)	-	(668,681)	(13,316,743)	(500,000)	(12,816,743)
July	205,744	-	(597,959)	-	(392,215)	(13,708,958)	(500,000)	(13,208,958)
August	(52,292)	-	(422,371)	-	(474,663)	(14,183,621)	(500,000)	(13,683,621)
September	42,765	-	(1,150,147)	-	(1,107,382)	(15,291,003)	(500,000)	(14,791,003)
October								
November								
December								
Total	**(1,750,753)**	**(9,153,320)**	**(4,386,930)**	**-**	**(15,291,003)**			

[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 as of October 31, 2021.

Supply Cost Deferral Account
Net Revenue from Exports Variance
September 30, 2023

	Test Year ($) ($H_T$)	Actual[1] ($) (H)	Total Variation ($) ($H_T$ - H) (to page 3)	Non-Firm Sales Revenue[2]
January	-	499,872	**(499,872)**	-
February	-	385,775	**(385,775)**	-
March	-	343,485	**(343,485)**	-
April	-	146,610	**(146,610)**	-
May	-	110,345	**(110,345)**	-
June	-	41,093	**(41,093)**	-
July	-	68,528	**(68,528)**	-
August	-	71,846	**(71,846)**	-
September	-	81,876	**(81,876)**	-
October				
November				
December				
Total	**-**	**1,749,430**	**(1,749,430)**	**-**

[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 Deferral Account
Tariff Revenue
September 30, 2023

	Test Year ($) ($_T$)	Actual[1] ($) (I)	Total Variation ($) ($I_T$ - I) (to page 3)
January	-	862,075	**(862,075)**
February	-	1,179,438	**(1,179,438)**
March	-	1,107,140	**(1,107,140)**
April	-	1,534,710	**(1,534,710)**
May	-	1,498,412	**(1,498,412)**
June	-	1,498,023	**(1,498,023)**
July	-	1,498,023	**(1,498,023)**
August	-	1,498,023	**(1,498,023)**
September	-	1,498,023	**(1,498,023)**
October			
November			
December			
Total	**-**	**12,173,868**	**(12,173,867)**

[1] Effective June 1, 2023, Hydro assigned its long-term transmission rights, including associated payment obligations, for a period of ten years to Energy Marketing. Energy Marketing has been paying all costs associated with these rights under an interim agreement for the month of May, since Hydro's long-term rights commenced on May 1 following commissioning of the LIL in April.

Supply Cost Deferral Account
Load Variation - Utility
September 30, 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 (to page 3)
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	527,700,000	543,337,922	(15,637,922)	0.18165	(2,840,629)
May	421,700,000	450,020,710	(28,320,710)	0.18165	(5,144,457)
June	345,200,000	369,610,532	(24,410,532)	0.18165	(4,434,173)
July	307,900,000	307,008,278	891,722	0.18165	161,981
August	300,500,000	300,826,507	(326,507)	0.18165	(59,310)
September	314,500,000	309,165,372	5,334,628	0.18165	969,035
October					
November					
December					
Total	**4,227,400,000**	**4,277,961,930**	**(50,561,930)**		**(9,184,575)**

Supply Cost Deferral Account
Load Variation - Industrial
September 30, 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 (to page 3)
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	61,500,000	32,963,409	28,536,591	0.04428	1,263,600
May	63,000,000	16,709,915	46,290,085	0.04428	2,049,725
June	60,900,000	7,404,175	53,495,825	0.04428	2,368,795
July	62,400,000	18,417,418	43,982,582	0.04428	1,947,549
August	62,600,000	30,654,094	31,945,906	0.04428	1,414,565
September	61,000,000	32,272,722	28,727,278	0.04428	1,272,044
October					
November					
December					
Total	**555,800,000**	**238,285,245**	**317,514,755**		**14,059,553**

Supply Cost Deferral Account
Rural Rate Alteration
September 30, 2023

	Price ($)	Volume ($)	Total[1] ($)	Utility Allocation[1] ($) (to page 4)	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	(388,658)	2,465	(386,193)	(371,131)	(15,062)	-
May	(366,835)	58,416	(308,419)	(296,391)	(12,028)	-
June	(338,914)	31,265	(307,649)	(295,651)	(11,998)	-
July	(639,588)	400,001	(239,587)	(230,243)	(9,344)	-
August	(618,105)	233,591	(384,514)	(369,518)	(14,996)	-
September	(589,765)	326,414	(263,351)	(253,080)	(10,271)	-
October						
November						
December						
Total	**(4,333,351)**	**(18,187)**	**(4,351,538)**	**(4,181,828)**	**(169,710)**	**-**

[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 Deferral Account
Greenhouse Gas Credits
September 30, 2023

	Test Year ($) ($T_T$)	Actual ($) (T)	Total Variation ($) ($T_T$ - T) (to page 3)
January	-	(3,962)	**3,962**
February	-	235,119	**(235,119)**
March	-	950	**(950)**
April	-	-	**-**
May	-	-	**-**
June	-	180,887	**(180,887)**
July	-	-	**-**
August	-	(1,697)	**1,697**
September[1]	-	22,508,701	**(22,508,701)**
October			
November			
December			
Total	**-**	**22,919,999**	**(22,919,998)**

[1] In September 2023, Hydro sold 493,536 Greenhouse Gas Performance Credits within the province for $22.5 million through a request for bids.

Supply Cost Deferral Account
Rate Mitigation
September 30, 2023

	Test Year ($)	Actual ($)	Total Variation ($) (to page 3)
January	-	-	**-**
February	-	-	**-**
March[1]	-	190,404,321	**(190,404,321)**
April	-	-	**-**
May	-	-	**-**
June	-	-	**-**
July	-	-	**-**
August[2]	-	144,700,000	**(144,700,000)**
September	-	-	**-**
October			
November			
December			
	-	**335,104,321**	**(335,104,321)**

[1] In March 2023, the 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] In 2022, as part of the Government of Newfoundland and Labrador's rate mitigation plan, Hydro, the Government of Newfoundland and Labrador and the Government of Canada signed term sheets enabling access, upon commissioning of the LIL, to a $1.0 billion investment by the Government of Canada in the LIL, in the form of a convertible debenture. On August 15, 2023 the first drawing on the convertible debenture of $144.7 million was received by LIL (2021) Limited Partnership and, on August 28, 2023, the funds were transferred to Hydro for the purpose of rate mitigation, reducing the balance in the Supply Cost Variance Deferral Account.

2022 Short-Term Interest Calculation[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 Balance[3]	**46,260**
Short-Term Cost of Borrowing 2023	**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

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
September 30, 2023

Holyrood Combustion Turbine	**Actual Cost ($)**	**Fuel for Non-Firm Sales ($)[1,2]**	**Net Cost ($)**	**Test Year Cost ($)**	**Thermal Variation ($)**
	(A)	**(B)**	**(C = A - B)**	**(D)**	**(C - D)**
January	780,546	342,859	437,687	1,258,888	**(821,201)**
February	2,341,228	3,652,076	(1,310,847)	767,288	**(2,078,135)**
March	1,940,020	122,711	1,817,309	661,531	**1,155,778**
April	20,482	-	20,482	392,558	**(372,076)**
May	93,327	12,196	81,131	123,373	**(42,242)**
June	546,526	672,985	(126,459)	431,643	**(558,102)**
July	240,937	-	240,937	33,744	**207,193**
August	1,023	-	1,023	33,744	**(32,721)**
September	203,522	-	203,522	33,744	**169,778**
October					
November					
December					
Subtotal	**6,167,610**	**4,802,826**	**1,364,784**	**3,736,513**	**(2,371,728)**

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
September 30, 2023

Hardwoods Gas Turbine	Actual Cost ($) (A)	Fuel for Non-Firm Sales ($) (B)	Net Cost ($) (C = A - B)	Test Year Cost ($) (D)	Thermal 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	5,616	-	5,616	83,554	**(77,938)**
May	19,239	-	19,239	57,170	**(37,931)**
June	38,814	-	38,814	46,909	**(8,095)**
July	92,992	-	92,992	71,469	**21,523**
August	15,877	-	15,877	14,587	**1,290**
September	1,457	-	1,457	90,430	**(88,973)**
October					
November					
December					
Subtotal	**853,322**	**-**	**853,322**	**727,752**	**125,570**

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
September 30, 2023

Stephenville Gas Turbine	Actual Cost ($) (A)	Fuel for Non-Firm Sales ($) (B)	Net Cost ($) (C = A - B)	Test Year Cost ($) (D)	Thermal Variation ($) (C - D)
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	605	-	605	56,006	**(55,401)**
May	15,956	-	15,956	25,733	**(9,777)**
June	94,417	-	94,417	86,278	**8,139**
July	13,001	-	13,001	31,788	**(18,787)**
August	(105)	-	(105)	15,138	**(15,243)**
September	191	-	191	34,816	**(34,625)**
October					
November					
December					
Subtotal	**764,866**	**-**	**764,866**	**405,665**	**359,201**

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
September 30, 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	1,009	-	1,009	3,547	**(2,538)**
May	(453)	-	(453)	3,662	**(4,115)**
June	(1,025)	-	(1,025)	3,604	**(4,629)**
July	1,041	-	1,041	3,642	**(2,601)**
August	(185)	-	(185)	3,642	**(3,827)**
September	1,904	-	1,904	3,814	**(1,910)**
October					
November					
December					
Subtotal	**103,571**	**-**	**103,571**	**31,446**	**72,125**

Other Island Interconnected System Supply Cost Variance
Thermal Generation Cost Variance
September 30, 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	3,507	-	3,507	1,776	**1,731**
May	(301)	-	(301)	1,833	**(2,134)**
June	476	-	476	1,804	**(1,328)**
July	239	-	239	1,823	**(1,584)**
August	32	-	32	1,823	**(1,791)**
September	404	-	404	1,909	**(1,505)**
October					
November					
December					
Subtotal	**79,822**	**-**	**79,822**	**15,742**	**64,079**
Total					**(1,750,753)**

[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
Off-Island Power Purchase
September 30, 2023

Maritime Link	Actual Cost ($) (A)	Test Year Cost ($) (B)	Off-Island 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
Off-Island Power Purchase
September 30, 2023

Labrador-Island Link	Actual Cost ($) (A)	Test Year Cost ($) (B)	Off-Island Power Purchase Variation ($) (A - B)
January	-	151,886	(151,886)
February	-	62,099	(62,099)
March	-	120,370	(120,370)
April	-	146,318	(146,318)
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October			
November			
December			
Subtotal	**-**	**480,674**	**(480,673)**
Total			**(9,153,320)**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

Nalcor Exploits	**Actual Production (kWh)**	**Cost of Service Production (kWh)**	**Monthly Production Variance (kWh)**	**Cost of Service Cost (¢/kWh)**	**Power Purchase Variation ($)**
	(A)	**(B)**	**(C) = (A - B)**	**(D)**	**(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	58,185,357	55,911,600	2,273,757	0.0400	90,950
May	52,403,537	58,649,520	(6,245,983)	0.0400	(249,839)
June	56,043,130	48,618,000	7,425,130	0.0400	297,005
July	53,686,519	53,988,360	(301,841)	0.0400	(12,074)
August	53,094,541	54,851,400	(1,756,859)	0.0400	(70,274)
September	41,454,837	48,124,800	(6,669,963)	0.0400	(266,799)
October					
November					
December					
Subtotal	**473,586,290**	**476,838,480**	**(3,252,190)**		**(130,087)**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

Star Lake	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (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	11,541,679	12,308,400	(766,721)	0.0400	(30,669)
May	12,116,699	12,636,840	(520,141)	0.0400	(20,806)
June	12,297,970	11,970,000	327,970	0.0400	13,119
July	12,738,922	12,990,240	(251,318)	0.0400	(10,053)
August	12,851,013	12,915,840	(64,827)	0.0400	(2,593)
September	9,324,536	6,512,400	2,812,136	0.0400	112,485
October					
November					
December					
Subtotal	**107,308,771**	**105,366,000**	**1,942,771**		**77,710**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

Rattle Brook	**Actual Production (kWh)** (A)	**Cost of Service Production (kWh)** (B)	**Monthly Production Variance (kWh)** (C) = (A - B)	**Cost of Service Cost (¢/kWh)** (D)	**Power 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	1,456,139	1,600,000	(143,861)	0.0851	(12,244)
May	2,573,832	2,590,000	(16,168)	0.0851	(1,376)
June	2,381,006	1,630,000	751,006	0.0851	63,920
July	1,186,661	810,000	376,661	0.0851	32,058
August	1,481,703	800,000	681,703	0.0851	58,021
September	1,390,909	1,170,000	220,909	0.0851	18,802
October					
November					
December					
Subtotal	**12,241,749**	**10,380,000**	**1,861,749**		**158,458**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

CBPP Co-Generation	**Actual Production (kWh)**	**Cost of Service Production (kWh)**	**Monthly Production Variance (kWh)**	**Cost of Service Cost (¢/kWh)**	**Power Purchase Variation ($)**
	(A)	**(B)**	**(C) = (A - B)**	**(D)**	**(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	3,835,008	5,550,000	(1,714,992)	0.1884	(323,104)
May	2,251,800	5,740,000	(3,488,200)	0.1884	(657,177)
June	3,350,879	6,070,000	(2,719,121)	0.1884	(512,282)
July	3,045,430	5,580,000	(2,534,570)	0.1884	(477,513)
August	3,055,265	4,230,000	(1,174,735)	0.1884	(221,320)
September	2,092,372	6,240,000	(4,147,628)	0.1884	(781,413)
October					
November					
December					
Subtotal	**30,352,592**	**50,550,000**	**(20,197,408)**		**(3,805,190)**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

St. Lawrence Wind	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (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	10,840,404	9,420,000	1,420,404	0.0722	102,553
May	10,535,036	7,860,000	2,675,036	0.0722	193,138
June	7,962,303	6,070,000	1,892,303	0.0722	136,624
July	4,743,762	5,760,000	(1,016,238)	0.0722	(73,372)
August	4,870,724	5,970,000	(1,099,276)	0.0722	(79,368)
September	6,548,368	7,750,000	(1,201,632)	0.0722	(86,758)
October					
November					
December					
Subtotal	**73,763,280**	**75,800,000**	**(2,036,720)**		**(147,051)**

Supply Cost Deferral Account
On-Island Purchases Variation
September 30, 2023

Fermeuse Wind	Actual Production (kWh) (A)	Cost of Service Production (kWh) (B)	Monthly Production Variance (kWh) (C) = (A - B)	Cost of Service Cost (¢/kWh) (D)	Power Purchase Variation ($) (E) = (C x D)
January	7,480,823	9,020,000	(1,539,177)	0.0772	(118,778)
February	8,088,954	9,020,000	(931,046)	0.0772	(71,849)
March	9,580,893	8,510,000	1,070,893	0.0772	82,641
April	5,956,874	7,590,000	(1,633,126)	0.0772	(126,028)
May	7,711,394	6,330,000	1,381,394	0.0772	106,602
June	3,554,617	4,890,000	(1,335,383)	0.0772	(103,052)
July	3,901,304	4,640,000	(738,696)	0.0772	(57,005)
August	3,425,558	4,810,000	(1,384,442)	0.0772	(106,837)
September	4,342,063	6,240,000	(1,897,937)	0.0772	(146,464)
October					
November					
December					
Subtotal	**54,042,480**	**61,050,000**	**(7,007,520)**		**(540,770)**
Total					**(4,386,930)**

Indemnity Agreement
Fuel Costs Reimbursed by Nalcor[1]
September 30, 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	1,096,000	103,753	755,000	256,255	360,008
February	12,448,000	2,642,586	8,845,000	3,499,893	6,142,479
March	3,964,000	843,301	224,000	122,690	965,991
April	49,000	10,201	-	-	10,201
May	80,000	16,317	31,000	12,196	28,513
June	-	-	1,130,000	603,175	603,175
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October					
November					
December					
	17,637,000	3,616,159	10,985,000	4,494,207	8,110,366

[1] In August 2021, Nalcor commenced delivery of the Nova Scotia Block that, combined with limited LIL 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).

Tab 2

Contribution in Aid of Construction

Quarter Ended September 30, 2023

Table 1 summarizes the CIAC[1] activity for the current quarter. It also provides an overview of the following:

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

Table 1: CIAC Report for the Current Quarter

Type of Service	CIACs Quoted	CIACs Outstanding from Last Quarter	Total CIACs Quoted	CIACs Accepted	CIACs Expired	CIACs Outstanding
Domestic						
Within Plan Boundary	1	1	2	1	0	1
Outside Plan Boundary	2	6	8	3	1	4
Subtotal	**3**	**7**	**10**	**4**	**1**	**5**
General Service	2	4	6	1	1	4
Total	**5**	**11**	**16**	**5**	**2**	**9**

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

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

- The service location for the CIAC;
- The CIAC number related to the quote;
- The amount of the CIAC required to be paid by the customer;
- The estimated construction costs to provide the requested service; and
- 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					
14-Aug-2023	Kings Point	1862084	343	4,508	
Domestic: Outside Residential Planning Boundaries					
14-Sep-2023	St. Anthony	1875795	4,045	735	
25-Sep-2023	South Brook; Green Bay	1870139	7,340	8,565	Yes
General Service					
16-Aug-2023	Happy Valley-Goose Bay	1591325	6,450	10,615	Yes
27-Sep-2023	Main Brook	1582963	666,354	682,458	

Tab 3

Customer Damage Claims

Quarter Ended September 30, 2023

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

The report provides an overview of the following:

- The number of claims received during the quarter coupled with claims outstanding from the last quarter;
- The number of claims for which Hydro has accepted responsibility and the amount paid to claimants versus the amount originally claimed;
- The number of claims rejected and the dollar value associated with those claims; and
- Those claims that remain outstanding at the end of the quarter and the dollar value associated with such claims.

Definitions of Causes of Damage Claims:

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

Table 1: Customer Property Damage Claims Report by Region for the Current Quarter[1]

				Claims Accepted			Claims Rejected		Claims Outstanding	
Region	# Received	# Outstanding Since Last Quarter	Total	#	Amount Claimed ($)	Amount Paid ($)	#	Amount ($)	#	Amount ($)
Central	3	4	**7**	0	0	0	2	3,530	5	2,607
Northern	6	12	**18**	1	1,873	755	5	7,160	12	21,822
Labrador	1	3	**4**	0	0	0	0	0	4	6,013
Total	**10**	**19**	**29**	**1**	**1,873**	**755**	**7**	**10,690**	**21**	**30,441**

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

				Claims Accepted			Claims Rejected		Claims Outstanding	
Region	# Received	# Outstanding Since Last Quarter	Total	#	Amount Claimed ($)	Amount Paid ($)	#	Amount ($)	#	Amount ($)
Central	1	7	**8**	0	0	0	0	0	8	7,772
Northern	2	5	**7**	0	0	0	2	830	5	18,425
Labrador	3	7	**10**	0	0	0	2	1,845	8	9,087
Total	**6**	**19**	**25**	**0**	**0**	**0**	**4**	**2,675**	**21**	**35,284**

[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 Quarter[3]

				Claims Accepted			Claims Rejected		Claims Outstanding	
Cause	# Received	# Outstanding Since Last Quarter	Total	#	Amount Claimed ($)	Amount Paid ($)	#	Amount ($)	#	Amount ($)
System Operations	1	0	**1**	0	0	0	0	0	1	1,000
Power Interruptions	1	0	**1**	0	0	0	3	5,500	0	0
Improper Workmanship	0	4	**4**	0	0	0	0	0	4	2,111
Weather Related	2	2	**4**	0	0	0	1	1,000	3	5,987
Equipment Failure	3	6	**9**	1	1,873	755	1	2,530	7	13,842
Third Party	1	0	**1**	0	0	0	1	0	0	0
Miscellaneous	1	0	**1**	0	0	0	1	1,660	0	0
Awaiting Investigation	1	7	**8**	0	0	0	0	0	6	7,502
Total	**10**	**19**	**29**	**1**	**1,873**	**755**	**7**	**10,690**	**21**	**30,441**

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

				Claims Accepted			Claims Rejected		Claims Outstanding	
Cause	# Received	# Outstanding Since Last Quarter	Total	#	Amount Claimed ($)	Amount Paid ($)	#	Amount ($)	#	Amount ($)
System Operations	0	0	**0**	0	0	0	1	630	0	0
Power Interruptions	1	0	**1**	0	0	0	1	621	0	0
Improper Workmanship	1	8	**9**	0	0	0	1	200	8	20,945
Weather Related	2	6	**8**	0	0	0	0	0	8	9,073
Equipment Failure	0	2	**2**	0	0	0	1	1,224	1	556
Third Party	0	1	**1**	0	0	0	0	0	1	1,860
Miscellaneous	0	0	**0**	0	0	0	0	0	0	0
Awaiting Investigation	2	2	**4**	0	0	0	0	0	3	2,850
Total	**6**	**19**	**25**	**0**	**0**	**0**	**4**	**2,675**	**21**	**35,284**

[3] Numbers may not add due to rounding.
[4] Numbers may not add due to rounding.