Q. **Reference: Application**

Provide illustrative calculations showing the impact of actual Net Export Revenue differing from the 2027 Test Year forecast by: i) +/- 10%; ii) +/- 25%; and iii) +/- 50%. As part of the response, provide a table that compares the forecasted amount Long-Term Supply Cost Variance Deferral Account as proposed to each scenario.

A. Newfoundland and Labrador Hydro's ("Hydro") 2027 Test Year forecast of Net Export Revenue is $40.2 million as outlined in Chapter 5, Table 5-5 of Hydro's 2026 General Rate Application. The following outlines the impact of the requested scenarios of actual Net Export Revenue from the 2027 Test Year forecast:

- +/- 10% * $40.2 million = +/- $4.0 million.
- +/- 25% * $40.2 million = +/- $10.1 million.
- +/- 50% * $40.2 million = +/- $20.1 million.

In each scenario, the Long-Term Supply Cost Variance Deferral Account ("SCVDA") balance would increase or decrease by the variance between the forecast Net Export Revenue of $40.2 million and the actual Net Export Revenue recognized. A decrease in Net Export Revenue would result in a balance due from customers in the Long-Term SCVDA, and an increase would result in a balance due to customers.