

Q. Reference: Response to CA-NLH-043, part b

Further to the response to CA-NLH-043, part b, please explain why the monetized NLH Deferred Energy is forecast to decrease from \$38.1 million in the 2027 Test Year to \$26.8 million in 2030.

A. The decrease in NLH Deferred Energy from \$38.1 million in the 2027 Test Year to \$26.8 million in 2030 is due to a decrease in volume and price. The GWh forecasted to be monetized by Newfoundland and Labrador Hydro ("Hydro") is lower in 2030 compared to 2027 and the Annual Average Sales Price, the price used to value the monetized GWh, is also lower in 2030 compared to 2027. The dollar impact of the lower volume is \$3.4 million, and the dollar impact of the lower price is \$7.9 million, for a total decrease of \$11.3 million.

As shown in Table 1, the forecasted GWh to be monetized is lower in 2030 compared to 2027, as Hydro is forecasting to use more of its entitlement under the Muskrat Falls Power Purchase Agreement ("PPA") to serve customers, leaving a lower Deferred Energy balance available to monetize.

Table 1: NLH Deferred Energy (GWh)

	Test Year 2027	Forecast 2030
Deferred Energy Opening Balance		
Base Block Energy (Schedule 2 of Muskrat Falls PPA)		
Muskrat Falls PPA Energy Deliveries		
Total Deferred Energy Balance		
Monetized Energy		
Total Deferred Energy Closing Balance		

1 The Annual Average Sales Price is lower in 2030 compared to 2027 because of lower forecasted
2 export market prices. The trend of decreasing export market prices is reflected in Hydro's
3 response to NP-NLH-117 of this proceeding, which shows a downward trend in export market
4 prices when included as an extension to Hydro's 2026 General Rate Application.¹

¹ Please refer to "2026 General Rate Application," Newfoundland and Labrador Hydro, May 27, 2026, vol. I, ch. 6, sec. 6.6.5, p. 6.16, Table 6-5.