

1 Q. **Reference: Proposed LT-SCVDA; 2027 Cost of Service Study**

2 For each LT-SCVDA variance component, please identify whether the proposed
3 functionalization, classification and customer allocator are the same as would apply if the
4 corresponding actual cost or credit were directly included in the Cost-of-Service Study in the
5 period in which it arose, and identify and explain any exceptions.

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8 A. For each Long-Term Supply Cost Variance Deferral Account component, the proposed
9 functionalization and classification is the same as would apply if the corresponding actual cost or
10 credit were directly included in the Cost of Service Study.

11 The customer allocator for demand-related costs is proposed to be the current year billing
12 demand for Newfoundland Power Inc. and Island Industrial customers and the maximum peak
13 demand for Rural Island Interconnected customers¹ instead of the coincident peak for the
14 allocation of demand costs in the cost of service. Please refer to Newfoundland and Labrador
15 Hydro's response to PUB-NLH-086 of this proceeding for additional information.

¹ Please refer to "2026 General Rate Application," Newfoundland and Labrador Hydro, May 27, 2026, vol. I, ch. 5, sec. 5.7.4.