

1 Q. **Reference: LT-SCVDA; export revenue treatment; CA-NLH-051 to CA-NLH-055**

2 Confirm whether the same customer class that receives the benefit through the LT-SCVDA when
3 lower-than-forecast load results in increased net export revenue also bears the corresponding
4 cost through the LT-SCVDA when higher-than-forecast load reduces net export revenue and
5 identify any circumstance in which the upside and downside are allocated differently among
6 customer classes.

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9 A. If higher than forecast load reduces net export revenue from what is included in Newfoundland
10 and Labrador Hydro's ("Hydro") test year, a variance due from customers will be included in the
11 Net Export Revenue component of Hydro's Long-Term Supply Cost Variance Deferral Account
12 ("SCVDA") for the difference between the Net Export Revenue in the test year versus the actual
13 Net Export Revenue earned. Conversely, if lower than forecast load increases the net export
14 revenue from what is included in Hydro's test year, a variance due to customers will be included
15 in the Net Export Revenue component of Hydro's Long-Term SCVDA for the difference between
16 the Net Export Revenue in the test year versus the actual revenue earned.

17 Regardless of whether this Net Export Revenue variance is a balance due to or due from
18 customers, the same functionalization and classification will apply. The customer class allocation
19 methodology will also be the same; the portion which relates to energy will be allocated based
20 on percentages derived from 12 months-to-date kWh for: Utility Firm invoiced energy, Industrial
21 Firm invoiced energy, and Rural Island Interconnected bulk transmission energy, as outlined in
22 the account definition. The portion that relates to demand will be based on percentages derived
23 from year-to-date kW for: Utility Firm invoiced monthly billing demand, Industrial Firm
24 maximum invoiced demand multiplied by year-to-date months, and Rural Island Interconnected
25 maximum peak demand multiplied by the year-to-date months.