

1 Q. **Reference: LT-SCVDA; export revenue treatment; 2027 Cost of Service Study**

2 Please provide a table that identifies each material category of forecast export revenue,
3 including revenues associated with monetized NLH Deferred Energy, reflected in the 2027 Test
4 Year Cost of Service Study and provide the amount associated with each category along with
5 each class's allocation.

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8 A. Newfoundland and Labrador Hydro's ("Hydro") response to PUB-NLH-107 of this proceeding
9 identifies each material class of export revenue. The export revenue is treated the same in the
10 2027 Test Year Cost of Service Study since the revenue is the result of the Muskrat Falls Assets.
11 Table 1 provides the sources and allocation of the export revenue in the 2027 Test Year.

Table 1: Classification and Allocation of Export Revenue¹

Source	Revenue (\$ Millions)	Demand (\$ Millions)	Energy (\$ Millions)	Classification
Exports Recognized through Monetization	38.1	18.9	19.2	System Load Factor
Net Margin from Incremental Recapture Energy	2.1	1.0	1.1	System Load Factor
	40.2	20.0	20.2	
Customer Allocation (%)				
Newfoundland Power		0.8874	0.8484	
Island Industrial		0.0498	0.0865	
Island Rural Interconnected		0.0628	0.0651	
Customer Allocation (\$ M)				
Newfoundland Power		17.7	17.2	
Island Industrial		1.0	1.7	
Island Rural Interconnected		1.3	1.3	
		20.0	20.2	

¹ Numbers may not add due to rounding.

1 The Cost of Service treatment for export revenue was proposed in Hydro's Cost of Service
2 Methodology Application² and approved in the Board of Commissioners of Public Utilities Order
3 No. P.U. 37(2019). The functionalization and classification approved include:

- 4 • Net export revenues shall be functionalized as generation, which is the same manner as
5 the functionalization of the Muskrat Falls Project costs; and
- 6 • Net export revenues shall be classified using the system load factor, which is the same
7 manner as the classification of the Muskrat Falls Project costs.

² "Cost of Service Methodology Review," Newfoundland and Labrador Hydro, November 15, 2018,
<http://www.pub.nf.ca/applications/2018/NLH2018CostofService/application/Application%20-%20Cost%20of%20Service%20Methodology%20-%202018-11-15.PDF>.