

1 Q. **Reference: CA-NLH-037 through CA-NLH-039; NP-NLH-075; PUB-NLH-100; OC2013-343 as**
2 **amended by OC2022-120; NLR 120/13**

3 a) For Muskrat Falls working capital, sustaining capital, SCVDA financing, export losses and
4 mitigation shortfalls, identify each claimed entitlement to recovery or exemption from Board
5 review, the precise authority, amount and approval sought. In particular, state whether Hydro
6 claims the working-capital allowance is exempt under paragraph 4(1)(b) of NLR 120/13 and
7 explain the basis for its position. Distinguish the underlying payments, eligibility, calculation,
8 rate-base inclusion, financing, allocation and recovery.

9 b) Complete CA-NLH-037(a)'s \$780.4 million mapping by contractual payment category,
10 counterparty and ledger subtotal, including credits and corrections. Use CA-NLH-314's exclusion
11 reconciliation.

12 c) State which issues Hydro considers the approvals sought in this GRA would determine and which
13 would remain for a later proceeding, including responsibility for mitigation shortfalls and the
14 eligibility or potential duplication of recovered costs. Provide the supporting authority and
15 proposed order wording, and identify any issues requiring an early determination.

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18 A. a) As discussed in Newfoundland and Labrador Hydro's ("Hydro") evidence in the 2026 General
19 Rate Application ("GRA"), the applicable Orders in Council require recovery of Muskrat Falls
20 Project costs subject to the matters specifically identified therein. Chapter 4 provides
21 Hydro's evidence respecting the Muskrat Falls costs and their treatment. In particular,
22 Table 4-1 identifies the applicable Muskrat Falls supply costs, with the component costs
23 described further in Table 4-3.

24 Where an amount or regulatory treatment related to Muskrat Falls is not governed by the
25 Orders, the basis for the requested treatment is addressed elsewhere in the application and
26 supporting evidence. For a discussion of Hydro's position on the treatment of Muskrat Falls-
27 related working capital, please refer to Hydro's response to NP-NLH-075 of this proceeding.

1 The evidence filed with Hydro's 2026 GRA, including Hydro's responses to requests for
2 information, distinguishes the underlying Muskrat Falls Project costs governed by the Orders
3 from other matters concerning their calculation, timing, financing, allocation or recovery, as
4 applicable. Hydro submits that the information already provided is sufficient to identify the
5 basis for the relief sought and that the further itemization requested is not necessary for a
6 satisfactory understanding of the matters to be considered in the 2026 GRA as required by
7 the *Board of Commissioners of Public Utilities Regulations, 1996*.

8 **b)** As Hydro noted in its response to part a) of CA-NLH-037 of this proceeding, the 2027 Test
9 Year Muskrat Falls supply cost of \$780.4 million is entirely composed of expenditures made
10 directly to one of the parties listed in Clause 1 of Order in Council OC2013-343 and falls, in
11 its entirety, under Clause 1(a) to (c) of the Order in Council. Table 4-1, in Chapter 4 of
12 Hydro's 2026 GRA, identifies the applicable Muskrat Falls supply costs, with the component
13 costs described further in Table 4-3. As stated above, it is Hydro's opinion that additional
14 itemization or characterization other than that already provided within the evidence is not
15 necessary for a satisfactory understanding of the matters to be considered in the 2026 GRA
16 as required by the *Board of Commissioners of Public Utilities Regulations, 1996*.

17 **c)** With respect to the approvals sought, please refer to Hydro's legal application, which
18 identifies the statutory authority under which the 2026 GRA is made and sets out the
19 approvals Hydro is requesting from the Board of Commissioners of Public Utilities in this
20 proceeding. Where Hydro proposes that a matter addressed in the application be
21 determined in a future proceeding, this is identified in Hydro's application and supporting
22 evidence. For example, Hydro's legal application specifies that the approach for disposition
23 or recovery of balances in the proposed Long-Term Supply Cost Variance Deferral Account
24 will be addressed in a future application to the Board. With respect to rate mitigation, as
25 noted in Chapter 6, Section 6.4 of Hydro's 2026 GRA, the total rate mitigation for the 2027
26 Test Year is determined based on the level required to achieve the 2027 Test Year revenue
27 requirement for Newfoundland Power Inc. after their allocation based on the 2027 Cost of

- 1 Service Study.¹ Rate mitigation is not a fixed amount and, as directed through OC2024-062
- 2 and OC2024-063, is provided through Hydro's own sources.

¹ "2026 General Rate Application," Newfoundland and Labrador Hydro, May 27, 2026, vol. I, ch. 6, sec. 6.4.1, pp. 6.10/24–6.11/2.