

1 Q. **Reference: GRA, Vol. I, page 170-171 pdf**

2 Follow up to LAB-NLH-024(d)

3 Preamble:

4 In response to LAB-NLH-024(d), NLH referred to its response in LAB-NLH-024(c), which was not
5 responsive to LAB-NLH-024(d).

6 Please explain the ratemaking rationale for allowing LTSCVDA balances (and associated financing
7 charges) to accumulate over a four-year period without interim rate relief or refund, and discuss
8 the customer rate-shock and intergenerational equity implications of that approach.

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11 A. The Long-Term Supply Cost Variance Deferral Account (“SCVDA”) balances (and associated
12 financing costs) will not accumulate over a four-year period. As noted in Newfoundland and
13 Labrador Hydro’s response to part c) of LAB-NLH-024 of this proceeding, a portion of the Long-
14 Term SCVDA will continue to be recovered from customers, in accordance with the rate
15 mitigation plan announced in 2024, through annual increases to Island Interconnected System
16 customer rates. The remainder of the annual balance in the account will be settled using rate
17 mitigation funding up to and including 2030.