

1 Q. **Reference: PUB-NLH-091, Issue Topic: Long Term Supply Cost Variance Deferral Account.**

2 Please clarify Hydro's proposed treatment of the Rural Rate Alteration Account in its GRA filing
3 for both (i) the balance as of December 31, 2026 and (ii) for January 1, 2027 and onward.

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6 A. Newfoundland and Labrador Hydro ("Hydro") did not specifically propose treatment or
7 disposition of the Rural Rate Alteration Account in its 2026 General Rate Application filing for
8 the balance as of December 31, 2026 or for the balance accumulating from January 1, 2027
9 onwards. The Rural Rate Alteration Account is proposed as a component of Hydro's Long-Term
10 Supply Cost Variance Deferral Account ("SCVDA"), consistent with the existing SCVDA and,
11 historically, the Rate Stabilization Plan. Consultations regarding the future application and
12 disposition of the Rural Rate Alteration Account balance have not taken place, and the proposed
13 treatment will be addressed in future discussions with, or application to, the Board of
14 Commissioners of Public Utilities ("Board"). As noted by Hydro in its response to NP-NLH-087 of
15 this proceeding, Hydro will submit a proposal to the Board no later than February 2027.