

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

2 Please outline the impacts on Hydro's revenue requirement and other financial figures in its GRA
3 filing if the December 31, 2026 balance in the Rural Rate Alteration Account is disposed of in the
4 same manner as the February 28, 2026 balance (that is, to offset the July 1, 2027 customer rate
5 adjustment).

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8 A. There would be no impact to Newfoundland and Labrador Hydro's ("Hydro") revenue
9 requirement or other financial figures in its 2026 General Rate Application filing if the
10 December 31, 2026 balance in the Rural Rate Alteration ("RRA") Account is disposed of in the
11 same manner as the February 28, 2026 balance. Disposal of the December 31, 2026 balance in
12 the RRA Account in this manner would increase the rate mitigation funding required to settle
13 the December 31, 2026 balance of the existing Supply Cost Variance Deferral Account. There
14 would be no change to the balance of rate mitigation included in Hydro's 2027 Test Year.
15 Consultations regarding the future application and disposition of the RRA Account balance have
16 not taken place, and the proposed treatment will be addressed in future discussions with, or
17 application to, the Board of Commissioners of Public Utilities ("Board"). As noted in Hydro's
18 July 1, 2026 Utility Rate Adjustment Application,¹ Hydro will submit a proposal to the Board no
19 later than February 2027.

¹ "2026 Utility Rate Adjustments Effective July 1, 2026," Newfoundland and Labrador Hydro, April 24, 2026.