

1 Q. **Reference: NP-NLH-088, Issue Topic: Deferral Accounts Excluding Long Term Supply Cost**
2 **Variance Deferral Account.**

3 Hydro's responses to CA-NLH-193 and CA-NLH-195 do not provide the requested information.

4 Please provide in a table all deferral accounts that, for Hydro's portion, are transferred annually
5 to Hydro's net income. In the table, please provide the amounts transferred annually to Hydro's
6 net income from 2019 to 2027 test year.

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9 A. Newfoundland and Labrador Hydro ("Hydro") interprets this question as asking for all deferral
10 accounts which have a threshold or deadband. Table 1 presents the annual amounts from 2019
11 to 2027 Test Year for deferral account thresholds which impacted Hydro's net income.

12 In addition, the question requests net income impact when costs or credits associated with
13 deferral account disposition related to Rural Deficit areas are allocated to Newfoundland Power
14 Inc. and Rural Labrador Interconnected customers. Specifically, the Rural Labrador
15 Interconnected customer portion that is written off to Hydro's net income between test years,
16 which is presented below in Table 2.

Table 1: Deferral Account Thresholds (\$000s)¹

	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026F	2027TY
Holyrood Accelerated Depreciation Deferral Account Deadband ²	-	-	-	(2,500)	(2,500)	(2,500)	(744)	2,500	-
Isolated Systems Supply Cost Variance Deferral Account	(500)	(500)	(500)	500	500	500	500	500	-
Revised Energy Supply Cost Deferral Account ³	500	500	500	-	-	-	-	-	-
Holyrood Conversion Rate Deferral Account ⁴	(500)	(500)	500	-	-	-	-	-	-
Other Island Interconnected System Supply Cost Variance ⁵				(500)	(500)	(500)	(500)	(500)	-
Total	(500)	(500)	500	(2,500)	(2,500)	(2,500)	(744)	2,500	-

Table 2: Allocations to Labrador Interconnected Customers written off to Hydro's Net Income (\$000)^{6,7}

	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026F	2027TY
Rate Stabilization Plan	(125)	(176)	(275)	48	45	43	-	-	-
2018 Supply Cost Deferral	50	-	-	-	-	-	-	-	-
Isolated Systems Supply Cost Variance Deferral Account	48	(14)	(156)	(98)	352	470	262	158	-
Revised Energy Supply Cost Deferral Account	-	58	160	35	-	-	-	-	-
Holyrood Conversion Rate Deferral Account	13	(4)	(1)	5	-	-	-	-	-
Firm Energy Power Purchase Deferral Account	-	(3)	-	-	-	-	-	-	-
Supply Cost Variance Deferral Account - RRA ⁸	-	-	(30)	(199)	(250)	(379)	(679)	(813)	-
Total	(14)	(139)	(302)	(209)	147	134	(417)	(655)	-

¹ Credit balances represent an increase to Hydro's net income. Debit balances represent an expense or decrease in Hydro's net income.

² "2026 General Rate Application," Newfoundland and Labrador Hydro, May 27, 2026, vol. III, exh. 11, Table 1.

³ Transfers to this account ceased October 31, 2021.

⁴ Transfers to this account ceased October 31, 2021.

⁵ Component of the Supply Cost Variance Deferral Account.

⁶ Reflected in the year in which the balance was recorded in net income.

⁷ Credit balances represent an increase to Hydro's net income. Debit balances represent an expense or decrease in Hydro's net income.

⁸ Rural Rate Alteration ("RRA").