

1 Q. **Reference: NP-NLH-110, Attachment 2, page 2, Issue Topic: Long Term Supply Cost Variance**
2 **Deferral Account.**

3 Does Hydro intend to fund the \$116,686,960 forecast balance in the Long-Term Supply Cost
4 Variance Deferral Account as of December 31, 2027 through internal sources? If so, please
5 explain how this will occur and the timing of balance disposal. If not, please confirm that Hydro
6 intends to cover this balance through future customer rates.

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9 A. Newfoundland and Labrador Hydro ("Hydro") notes that the forecast balance in the Long-Term
10 Supply Cost Variance Deferral Account as of December 31, 2027, as per NP-NLH-110,
11 Attachment 2, page 1 of 4 of this proceeding, is \$179,874,420. This balance is forecast to be
12 funded through internal sources of rate mitigation funding in the first quarter of 2028. The
13 timing of actual rate mitigation funding may differ from the forecast. Hydro does not intend to
14 cover this balance through future customer rates.