

WHENEVER. WHEREVER.
We'll be there.



February 2, 2024

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power's Normal Hydroelectric Production for 2024

Background

In 2000, Newfoundland Power Inc. (the "Company") retained Acres International ("Acres"), a hydrology consultant, to review its hydroelectric generating systems with a view to determining an appropriate estimate of normal hydroelectric production ("Normal Hydroelectric Production"). The resulting water management study recommended Normal Hydroelectric Production of 423.1 GWh.

The study further recommended that Newfoundland Power should undertake a formal review of Normal Hydroelectric Production approximately every five years. In addition, the study recommended that Normal Hydroelectric Production be adjusted annually to reflect the impact on production of any scheduled outages in the year, and that adjustments also be made to reflect the impact on production of physical changes to the Company's hydroelectric facilities.

In 2015, the Company retained Acres' successor firm Hatch Ltd. ("Hatch") to update the hydrology studies that were completed in 2000 and 2010. The review completed by Hatch, which was filed with the Board in February 2017, recommended a Base Normal Hydroelectric Production of 438.6 GWh. In 2020, Newfoundland Power retained Hatch to conduct an updated Hydro Production Normal Review. The review was completed in April 2021 and the subsequent report recommending a Base Normal Hydroelectric Production of 438.4 GWh was filed with the Board in February 2022.

Newfoundland Power Inc.

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Annual Adjustment

In 2024, the Company has scheduled the Mobile Hydro Plant Surge Tank Refurbishment project which was approved by the Board in Order No. P.U. 2 (2024). In 2023, the penstock supplying the Victoria Hydro Plant failed and could not be returned to service. Newfoundland Power plans to make physical changes to the Victoria Hydro Plant in 2024 by removing the penstock since it cannot be returned to service. To reflect projected spillage during the planned work associated with the Mobile Hydro Plant and the physical changes to the Victoria Hydro Plant, the Base Normal Hydroelectric Production figure of 438.4 GWh should be adjusted downward by 15.2 GWh. The Adjusted Normal Hydroelectric Production for 2024 is therefore 423.2 GWh.

Concluding

For ease of reference, the calculation of the Adjusted Normal Hydroelectric Production for 2024 is shown on the attached Schedule "A".

If there are any questions with respect to this matter, please contact the undersigned at the direct number noted below.

Yours truly,



Dominic Foley
Legal Counsel

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SCHEDULE "A"

**NEWFOUNDLAND POWER INC.
ADJUSTMENTS TO NORMAL HYDROELECTRIC PRODUCTION (GWh)**

2024

Base Normal Hydroelectric Production	438.4
<i>Less: Estimated Lost Production from Scheduled Outages (2024)</i>	12.1
<i>Less: Estimated Lost Production from Physical Changes (2024)</i>	3.1
Adjusted Normal Hydroelectric Production	<u>423.2</u>