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August 27, 2025

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

Attention: Jo-Anne Galarneau  
Executive Director and Board Secretary

**Re: Inter-Affiliate Transactions Report for the Year Ended December 31, 2024**

Please find enclosed Newfoundland and Labrador Hydro's Inter-Affiliate Transactions Report for the year ended December 31, 2024, filed pursuant to correspondence from the Board of Commissioners of Public Utilities ("Board") on May 11, 2023,<sup>1</sup> and Board Order No. P.U. 49(2016).

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

Shirley A. Walsh  
Senior Legal Counsel, Regulatory  
SAW/kd

Encl.

ecc:

**Board of Commissioners of Public Utilities**

Jacqui H. Glynn  
Ryan Oake  
Board General

**Consumer Advocate**

Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis  
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis  
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis  
Bernice Bailey, Browne Fitzgerald Morgan & Avis

**Linde Canada Inc.**

Sheryl E. Nisenbaum  
Peter Strong

**Newfoundland Power Inc.**

Dominic J. Foley  
Douglas W. Wright  
Regulatory Email

**Teck Resources Limited**

Shawn Kinsella

**Island Industrial Customer Group**

Paul L. Coxworthy, Stewart McKelvey  
Denis J. Fleming, Cox & Palmer  
Glen G. Seaborn, Poole Althouse

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<sup>1</sup> "Newfoundland and Labrador Hydro - Streamlining of Quarterly Regulatory Report To Parties – Board's Decision on Reporting," Board of Commissioners of Public Utilities, May 11, 2023.

# Inter-Affiliate Transactions Report

For the Year Ended December 31, 2024

August 27, 2025

A report to the Board of Commissioners of Public Utilities



**Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
For the Year Ended December 31, 2024**

The Inter-Affiliate Transactions Report summarizes transactions by type between Regulated Newfoundland and Labrador Hydro ("Hydro") and affiliates on an annual basis. The report also documents any contracts, agreements or loans between Hydro and any related affiliate, including the Government of Newfoundland and Labrador ("Government"), that were signed in the year.

The report is divided into six sections as follows:

- 1)** Charges to each individual affiliate by charge type for the current year with comparable data for the prior year.
- 2)** Charges from each individual affiliate by charge type for the current year with comparable data for the prior year.
- 3)** Charges to (from) other related parties by charge type for the current year with comparable data for the prior year.
- 4)** Accounts receivable (payable) aging by affiliate as at December 31st with comparable data for the prior year.
- 5)** Listing of any contracts or agreements that were signed between Hydro and any affiliate as well as any loans with related entities. Loan information provided includes the amount of the loan, the date of the borrowing and date of repayment, the interest rate and the total interest paid.
- 6)** Documentation of methods used to determine cost allocations updated on an annual basis.

# Inter-Affiliate Transactions Report for the Year Ended December 31, 2024

## Newfoundland and Labrador Hydro Intercompany Transactions Report Activity Summary For the Year Ended December 31, 2024 (\$000)<sup>1</sup>

	2024	2023
<b>Operating</b>		
Charges to Affiliates: Labour/Other	(4,391)	(3,644)
Charges to Affiliates: Other Revenue	(21,515)	(21,371)
Charges to Affiliates: Muskrat Falls PPA <sup>2</sup> Monetization of Exports	(13,279)	(25,407)
Charges to Affiliates: Rate Mitigation <sup>3</sup>	(240,329)	(144,700)
Charges to Affiliates: Transmission	(17,978)	(16,668)
Charges to Affiliates: Admin Fee	(3,523)	(2,964)
<b>Subtotal</b>	<b>(301,015)</b>	<b>(214,754)</b>
Charges from Affiliates: Labour/Other	2,999	2,956
Charges from Affiliates: Power Purchase	1,053,953	896,091
Charges from Affiliates: Admin Fee <sup>4</sup>	10,238	8,578
<b>Subtotal<sup>4</sup></b>	<b>1,067,190</b>	<b>907,625</b>
Board of Commissioners of Public Utilities	2,008	1,522
Government <sup>5</sup>	33,676	(156,671)
<b>Subtotal</b>	<b>35,684</b>	<b>(155,149)</b>
<b>Total Operating<sup>4</sup></b>	<b>801,859</b>	<b>537,722</b>
<b>Capital</b>		
Charges to Affiliates: Capital	(1,424)	(912)
<b>Subtotal</b>	<b>(1,424)</b>	<b>(912)</b>
Charges from Affiliates: Capital	332	309
Charges from Affiliates: CIAC <sup>6</sup>	(178)	(202)
<b>Subtotal</b>	<b>154</b>	<b>107</b>
<b>Total Capital</b>	<b>(1,270)</b>	<b>(805)</b>

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

<sup>2</sup> Power Purchase Agreement ("PPA")

<sup>3</sup> Rate mitigation funding includes funding received of \$150.3 million (2023: \$144.7 million) associated with the drawing on the Government of Canada convertible debenture and a \$90 million contribution from Nalcor Energy ("Nalcor") for the purpose of rate mitigation, reducing the balance in the Supply Cost Variance Deferral Account ("SCVDA"). Please refer to the Agreements with Affiliated Entities section of this report.

<sup>4</sup> The Admin Fee of \$7.9 million reported in 2023 excluded \$0.6 million related to the Accounts Payable Admin Fee in error resulting in a revised balance of \$8.6 million.

<sup>5</sup> 2023 Balance includes rate mitigation funding of \$190.4 million from the Government reducing the balance in the SCVDA.

<sup>6</sup> Contribution in Aid of Construction ("CIAC").

# Inter-Affiliate Transactions Report for the Year Ended December 31, 2024

## Newfoundland and Labrador Hydro Intercompany Transactions Report Charges to Affiliates: Operating For the Year Ended December 31, 2024 (\$000)<sup>1</sup>

	2024						2023									
	Nalcor	Churchill Falls	Exploits/ Menehik/ Non-Regulated		Lower Churchill	Energy Marketing	Oil & Gas	Total	Nalcor	Churchill Falls	Exploits/ Menehik/ Non-Regulated		Lower Churchill	Energy Marketing	Bull Arm and Oil & Gas	Total
Labour	(1,379)	(449)	(1,376)	(456)	(99)	-	(3,759)		(1,057)	(228)	(1,286)	(472)	(75)	(5)	(3,123)	
Other	(155)	(67)	(342)	(59)	(9)	-	(632)		(121)	(46)	(273)	(71)	(9)	(1)	(521)	
Other Revenue <sup>2</sup>	(850)	-	-	(2,055)	(18,610)	-	(21,515)		(8,218)	-	-	(2,245)	(10,908)	-	(21,371)	
Muskkrat Falls PPA Monetization of Exports	-	-	-	(13,279)	-	-	(13,279)		-	-	-	(25,407)	-	-	(25,407)	
Rate Mitigation Funding <sup>3</sup>	(240,329)	-	-	-	-	-	(240,329)		(144,700)	-	-	-	-	-	(144,700)	
Transmission	-	-	-	-	(17,978)	-	(17,978)		-	-	-	-	(16,668)	-	(16,668)	
Subtotal	(242,713)	(516)	(1,718)	(15,849)	(36,696)	-	(297,492)		(154,096)	(274)	(1,559)	(28,195)	(27,660)	(6)	(211,790)	
Administration Fees																
Information Systems Charges	(40)	(43)	(15)	(7)	(4)	-	(109)		(42)	(46)	(14)	(8)	(4)	-	(114)	
Telephone/Local Area Network	(142)	(152)	(54)	(24)	(15)	-	(387)		(143)	(156)	(51)	(27)	(15)	-	(392)	
Space Rental Fees	(1,873)	-	(187)	(11)	(139)	-	(2,210)		(1,545)	-	(90)	(4)	(147)	-	(1,786)	
Procurement	(41)	(442)	(183)	(150)	(1)	-	(817)		(35)	(409)	(124)	(101)	(3)	-	(672)	
Total Administration Fees	(2,096)	(637)	(439)	(192)	(159)	-	(3,523)		(1,765)	(611)	(279)	(140)	(169)	-	(2,964)	
Total Charges to Affiliates: Operating	(244,809)	(1,153)	(2,157)	(16,041)	(36,855)	-	(301,015)		(155,861)	(885)	(1,838)	(28,335)	(27,829)	(6)	(214,754)	

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

<sup>2</sup> Other revenue includes reimbursement from Nalcor related to the Nova Scotia Block Indemnity (refer to the Agreements with Affiliated Entities section), energy sales to Lower Churchill, export sales revenue that is included in the SCVDA (refer to the Agreements with Affiliated Entities section) and interest from Lower Churchill related to the Muskrat Falls PPA.

<sup>3</sup> Rate mitigation funding includes funding received of \$150.3 million (2023: \$144.7 million) associated with the drawing on the Government of Canada convertible debenture and a \$90 million contribution from Nalcor for the purpose of rate mitigation, reducing the balance in the SCVDA. Please refer to the Agreements with Affiliated Entities section of this report.

# Inter-Affiliate Transactions Report for the Year Ended December 31, 2024

Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Charges from Affiliates: Operating  
For the Year Ended December 31, 2024  
(\$000)<sup>1</sup>

	2024						2023					
	Exploits/ Menehik/ Non-Regulated			Energy Marketing			Exploits/ Menehik/ Non-Regulated			Energy Marketing		
	Nalcor	Churchill Falls	Lower Churchill	Lower Churchill	Marketing	Total	Nalcor	Churchill Falls	Lower Churchill	Marketing	Total	Total
Labour	1,514	598	1,044	-	-	3,156	1,514	434	-	-	-	3,320
Other	(212)	41	3	-	11	(157)	(403)	36	-	-	-	(364)
Power Purchase <sup>2,3,4,5</sup>	-	1,590	28,419	1,023,944	-	1,053,953	-	1,549	29,773	864,769	-	896,091
<b>Subtotal</b>	<b>1,302</b>	<b>2,229</b>	<b>29,466</b>	<b>1,023,944</b>	<b>11</b>	<b>1,056,952</b>	<b>1,111</b>	<b>2,019</b>	<b>31,148</b>	<b>864,769</b>	<b>-</b>	<b>899,047</b>
Administration Fees												
Information Systems Charges	6,295	-	-	-	-	6,295	5,184	-	-	-	-	5,184
Human Resources Charges	712	-	-	-	-	712	698	-	-	-	-	698
Safety and Health Charges	473	-	-	-	-	473	395	-	-	-	-	395
Environment Charges	22	-	-	-	-	22	43	-	-	-	-	43
Business System Admin Fee	1,615	-	-	-	-	1,615	1,627	-	-	-	-	1,627
Accounts Payable Admin Fee <sup>6</sup>	-	-	743	-	-	743	-	-	631	-	-	631
Shared Services Admin Fee	-	-	378	-	-	378	-	-	-	-	-	-
<b>Total Administration Fees<sup>6</sup></b>	<b>9,117</b>	<b>-</b>	<b>1,121</b>	<b>-</b>	<b>-</b>	<b>10,238</b>	<b>7,947</b>	<b>-</b>	<b>631</b>	<b>-</b>	<b>-</b>	<b>8,578</b>
<b>Total Charges from Affiliates: Operating<sup>6</sup></b>	<b>10,419</b>	<b>2,229</b>	<b>30,587</b>	<b>1,023,944</b>	<b>11</b>	<b>1,067,190</b>	<b>9,058</b>	<b>2,019</b>	<b>31,779</b>	<b>864,769</b>	<b>-</b>	<b>907,625</b>

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

<sup>2</sup> Power Purchase excludes ponding energy or import energy purchases through Energy Marketing due to commercial sensitivities.

<sup>3</sup> Power Purchase from Lower Churchill includes costs associated with the Muskrat Falls PPA in the amount of \$549.9 million (2023: \$533.5 million). These costs are deferred in 1) the Power Purchase Expense Recognition Deferral - \$276.6 million (2023: \$287.1 million); 2) the Supply Cost Variance Deferral - \$262.5 million (2023: \$242); and 3) Sustaining Capital Deferral - \$10.8 million (2023: \$4.4 million) resulting in no impact on net income.

<sup>4</sup> Power Purchase from Lower Churchill includes costs associated with the Transmission Funding Agreement ("TFA") in the amount of \$457.7 million in 2023 (2023: \$322.9). These costs are deferred in 1) the Power Purchase Expense Recognition Deferral Receivable \$9.6 million (2023: \$12.5); and 2) the Supply Cost Variance Deferral - \$448.1 million (2023: \$355.6) resulting in no impact on net income.

<sup>5</sup> Power Purchase includes Muskrat Falls Residual Block energy purchased to service Labrador customers that are included in the SCVDA in the amount of \$16.3 million (2023: \$8.3 million).

<sup>6</sup> The Accounts Payable Admin fee charged to Hydro by Non-Regulated was excluded from the 2023 report in error.

Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Charges to Affiliates: Capital  
For the Year Ended December 31, 2024  
(\$000)<sup>1</sup>

	2024						2023					
	Exploits/ Menahik/ Non-Regulated		Lower Churchill	Energy Marketing	Total		Exploits/ Menahik/ Non-Regulated		Lower Churchill	Energy Marketing	Total	
	Nalcor	Churchill Falls					Nalcor	Churchill Falls				
Labour	(67)	(145)	(965)	(179)	-	(1,356)	(45)	(113)	(682)	(30)	-	(870)
Other	(7)	(14)	(34)	(13)	-	(68)	(9)	(13)	(17)	(3)	-	(42)
<b>Total Charges to Affiliates: Capital</b>	<b>(74)</b>	<b>(159)</b>	<b>(999)</b>	<b>(192)</b>	<b>-</b>	<b>(1,424)</b>	<b>(54)</b>	<b>(126)</b>	<b>(699)</b>	<b>(33)</b>	<b>-</b>	<b>(912)</b>

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Charges from Affiliates: Capital  
For the Year Ended December 31, 2024  
(\$000)<sup>1</sup>

	2024						2023					
	Exploits/ Menahik/						Exploits/ Menahik/					
	Nalcor	Churchill Falls	Non-Regulated	Lower Churchill	Energy Marketing	Total	Nalcor	Churchill Falls	Non-Regulated	Lower Churchill	Energy Marketing	Total
Labour	253	33	11	-	-	297	209	55	23	-	-	287
Other	33	2	-	-	-	35	17	5	-	-	-	22
CIAC	-	-	-	(178)	-	(178)	-	-	-	(202)	-	(202)
<b>Total Charges from Affiliates: Capital</b>	<b>286</b>	<b>35</b>	<b>11</b>	<b>(178)</b>	<b>-</b>	<b>154</b>	<b>226</b>	<b>60</b>	<b>23</b>	<b>(202)</b>	<b>-</b>	<b>107</b>

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.



# ***Inter-Affiliate Transactions Report for the Year Ended December 31, 2024***

**Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Payments to (Receipts from) Other Related Parties<sup>1</sup>  
For the Year Ended December 31, 2024  
(\$000)<sup>2</sup>**

	<b>2024</b>	<b>2023</b>
Board of Commissioners of Public Utilities Costs	2,008	1,522
Government		
Debt Guarantee Fee	8,940	8,796
Interest on Long-Term Debt	27,450	27,452
Northern Strategic Plan	(2,714)	(2,515)
Government Grant <sup>3</sup>	-	(190,404)
Total Government	33,676	(156,671)
<b>Total Other Related Parties</b>	<b>35,684</b>	<b>(155,149)</b>

<sup>1</sup> On an accrual basis.

<sup>2</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

<sup>3</sup> In March 2023, the Government provided \$190.4 million for the purpose of rate mitigation, reducing the net supply costs balance in the SCVDA.

# Inter-Affiliate Transactions Report for the Year Ended December 31, 2024

Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Accounts Receivable (Payable)  
As at December 31, 2024  
(\$000)<sup>1</sup>

	2024						2023				
	Current	31-60	61-90	> 90	Total		Current	31-60	61-90	> 90	Total
Churchill Falls	105	(6)	197	-	296	Churchill Falls	136	-	-	-	136
Oil & Gas	-	-	-	-	-	Oil & Gas	2	-	-	-	2
Bull Arm	-	-	-	3	3	Bull Arm	-	-	-	3	3
Energy Marketing	1,372	-	(40)	(40)	1,292	Energy Marketing	367	-	-	-	367
Lower Churchill	(903)	(358)	(159)	(14,397)	(15,817)	Lower Churchill	24,469	(1,005)	(294)	(27,330)	(4,160)
Nalcor	7,316	(5,048)	(5,094)	-	(2,826)	Nalcor	4,864	-	-	-	4,864
Other	(0)	-	-	31	31	Other	384	-	-	28	412
<b>Total</b>	<b>7,889</b>	<b>(5,412)</b>	<b>(5,096)</b>	<b>(14,403)</b>	<b>(17,022)</b>	<b>Total</b>	<b>30,222</b>	<b>(1,005)</b>	<b>(294)</b>	<b>(27,299)</b>	<b>1,624</b>

<sup>1</sup>Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

**Inter-Affiliate Transactions Report for the Year Ended December 31, 2024**

**Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Other Receivables (Payables)  
As at December 31, 2024  
(\$000)<sup>1</sup>**

	<b>2024</b>	<b>2023</b>
Energy Marketing		
Transmission Services Deposit Payable <sup>2</sup>	(2,204)	(2,204)
Lower Churchill		
TFA Contract Receivable <sup>3</sup>	2,927	12,550
Muskrat Falls PPA Contract Payable <sup>4</sup>	(725,836)	(451,296)
Total Lower Churchill	(722,909)	(438,746)
<b>Total Other (Payables) Receivables</b>	<b>(725,113)</b>	<b>(440,950)</b>

<sup>1</sup> Small differences from balances in prior periods not specifically noted are immaterial and in most cases are the result of rounding differences.

<sup>2</sup> Energy Marketing provides Hydro a cash deposit in advance of being provided transmission services by the Newfoundland and Labrador System Operator.

<sup>3</sup> The contract receivable balance represents the timing difference between the value of the energy and capacity delivered to Hydro and the contractual payments made under the TFA in the reporting period.

<sup>4</sup> The contract payable balance represents the timing difference between the value of the energy and capacity delivered to Hydro and the contractual payments made under the Muskrat Falls PPA in the reporting period.

## ***Inter-Affiliate Transactions Report for the Year Ended December 31, 2024***

### **Newfoundland and Labrador Hydro Intercompany Transactions Report Agreements With Affiliated Entities For the Year Ended December 31, 2024**

Listing of any contracts or agreements between Hydro and any affiliate as well as any loans with related entities. Loan information provided includes the amount of the loan, the date of the borrowing, the date of repayment, the interest rate, and the total interest paid.

On May 16, 2024, the province announced finalization of the rate mitigation plan. The plan ensures domestic rate increases, for customers subject to island interconnected rates, attributable to Hydro's costs are targeted at 2.25% per year up to and including 2030. The plan also requires that any additional rate mitigation funding required to mitigate Lower Churchill costs for the period up to and including 2030 come from Hydro and Nalcor's own sources, to the extent possible. Please refer to Order in Council OC2024-062.

The province also directed Hydro and Nalcor to retire the ending 2023 SCVDA balance of \$271.3 million over the 2024–2026 period, and to transfer \$90 million from Nalcor to Hydro in 2024, as the first of the three annual amounts to retire the 2023 balance. Please refer to Order in Council OC2024-062.

**Newfoundland and Labrador Hydro  
Intercompany Transactions Report  
Methods Used to Determine Costs  
For the Year Ended December 31, 2024**

**Labor Charges**

Cost-based rates billed in accordance with Nalcor's Intercompany Transaction costing guidelines.

**Power Purchases/Other**

In accordance with contract rates or Board of Commissioners of Public Utilities-approved rates, as applicable.

**Admin Fees**

Common costs allocated among lines of business based on applicable allocators.