Q. **Reference: Volume I, Section 5.7, Issue Topic: Long Term Supply Cost Variance Deferral Account**

In Order No. P.U. 33 (2021), the Board expressed concern associated with the timing of disposition of historical supply cost variances.

Please provide alternatives for the disposition of the Supply Cost Variance Deferral Account as of December 31, 2026. Please also provide a forecast balance for the account as of that date and provide an analysis of how this balance could vary.

A. As noted by Newfoundland and Labrador Hydro ("Hydro") in its 2026 General Rate Application ("GRA"), Hydro will file an application for the disposition of the existing Supply Cost Variance Deferral Account subsequent to the conclusion of the 2026 GRA. For the forecast balance as of December 31, 2026, please refer to Hydro's response to NP-NLH-110 of this proceeding.