

1 Q. **Reference: Volume I, Section 5.7 and Volume 3, Exhibit 13, Issue Topic: Long Term Supply Cost**
2 **Variance Deferral Account**

3 Please provide the analysis for each year since the creation of the Supply Cost Variance Deferral
4 Account.

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7 A. Please refer to NP-NLH-095, Attachment 1 for the analysis for each year since the creation of the
8 Supply Cost Variance Deferral Account. The analysis was completed based on the variances in
9 the account during the calendar year; timing differences exist for the receipt of rate mitigation
10 funding.

Newfoundland and Labrador Hydro
2021 Analysis

Extract from Exhibit 13
Calculation

	Energy Allocation				Demand Allocation			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
	5,432.00	419.06	399.00	6,250.06	15,012.62	826.07	938.70	16,777.39
	86.91%	6.70%	6.38%	100.00%	89.48%	4.92%	5.60%	100.00%
Before Rural Island Allocation								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Muskrat Falls Project costs	39,877.0	2,673.7	2,545.7	39,877.0	35,167.1	2,320.6	2,389.3	39,877.0
Net revenue from exports								
Transmission tariff revenue	(700.0)	(46.9)	(44.7)	(700.0)	(617.3)	(40.7)	(41.9)	(700.0)
Rate Mitigation funding								
Hollyrood TGS fuel	(26,880.0)	(1,802.3)	(1,716.0)	(26,880.0)	(23,361.7)	(1,802.3)	(1,716.0)	(26,880.0)
Utility load variance	10,532.0	706.2	672.4	10,532.0	9,288.0	612.9	631.1	10,532.0
Industrial load variance	2,486.0	166.7	158.7	2,486.0	2,192.4	144.7	149.0	2,486.0
Greenhouse gas credit revenue	(3,096.0)	(207.6)	(197.6)	(3,096.0)	(2,730.3)	(180.2)	(185.5)	(3,096.0)
Other IIS supply cost, thermal	1,148.0	77.0	73.3	1,148.0	1,027.2	56.5	64.2	1,148.0
Off-island purchases	(3,607.0)	(241.8)	(230.3)	(3,607.0)	(3,181.0)	(209.9)	(216.1)	(3,607.0)
On-island purchases	(635.0)	(42.6)	(40.5)	(635.0)	(560.0)	(37.0)	(38.0)	(635.0)
Wind purchases	(126.0)	(8.4)	(8.0)	(126.0)	(110.9)	(7.5)	(7.6)	(126.0)
Total	18,999.0	1,273.9	1,212.9	18,999.0	17,113.5	857.2	1,028.3	18,999.0

Calculation based on allocations
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After Rural Island Allocation [96.6% to Newfoundland Power]

	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Muskrat Falls Project costs	37,116.7	2,673.7	-	39,790.4	37,475.2	2,320.6	-	39,795.8
Net revenue from exports								
Transmission tariff revenue	(651.5)	(46.9)	-	(698.5)	(657.8)	(40.7)	-	(698.6)
Rate Mitigation funding								
Hollyrood TGS fuel	(26,880.0)	(1,802.3)	-	(26,821.7)	(25,019.4)	(1,802.3)	-	(26,821.7)
Utility load variance	10,532.0	706.2	-	10,509.1	9,897.6	612.9	-	10,510.5
Industrial load variance	2,486.0	166.7	-	2,480.6	2,336.3	144.7	-	2,480.9
Greenhouse gas credit revenue	(3,096.0)	(207.6)	-	(3,089.3)	(2,909.5)	(180.2)	-	(3,089.7)
Other IIS supply cost, thermal	1,148.0	77.0	-	1,145.5	1,089.3	56.5	-	1,145.8
Off-island purchases	(3,607.0)	(241.8)	-	(3,599.2)	(3,389.7)	(209.9)	-	(3,599.7)
On-island purchases	(635.0)	(42.6)	-	(633.6)	(596.8)	(37.0)	-	(633.7)
Wind purchases	(126.0)	(8.4)	-	(125.7)	(118.3)	(7.5)	-	(125.7)
Total	17,683.9	1,273.9	-	18,957.8	18,106.9	857.2	-	18,964.0

Calculation based on allocations
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Note: The variance between the before and after Rural Island Allocation relates to the allocation of Rural Island to the Labrador Interconnected Customer Group.

Newfoundland and Labrador Hydro
2022 Analysis

	Energy Allocation				Demand Allocation					
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total		
	5,509.00	386.27	419.00	6,314.27	15,036.74	793.50	1,081.50	16,911.74		
	87.25%	6.12%	6.64%	100.00%	88.91%	4.69%	6.39%	100.00%		
Before Rural Island Allocation										
	Demand	Energy Variance (\$000)	Existing		Proposed		Total			
			NF Power	Island Indust	Rural Island	Total				
Musktrat Falls Project costs	49.7%	237,671.0	207,360.4	14,539.3	15,771.3	237,671.0	209,329.1	12,855.2	15,486.8	237,671.0
Net revenue from exports	49.7%	(33,076.0)	(28,857.8)	(2,023.4)	(2,194.8)	(33,076.0)	(29,131.7)	(1,789.0)	(2,155.3)	(33,076.0)
Transmission tariff revenue	49.7%	(9,413.0)	(8,212.5)	(575.8)	(624.6)	(9,413.0)	(8,290.5)	(509.1)	(613.4)	(9,413.0)
Rate Mitigation funding	49.7%	-	-	-	-	-	-	-	-	-
Hollyrood TGS fuel	0.0%	(37,031.0)	(32,308.4)	(2,265.3)	(2,457.3)	(37,031.0)	(32,308.4)	(2,265.3)	(2,457.3)	(37,031.0)
Utility load variance	49.7%	53,018.0	46,256.5	3,243.3	3,518.1	53,018.0	46,695.7	2,867.6	3,454.7	53,018.0
Industrial load variance	49.7%	15,809.0	13,792.9	967.1	1,049.0	15,809.0	13,923.8	855.1	1,030.1	15,809.0
Greenhouse gas credit revenue	49.7%	(9,316.0)	(8,127.9)	(569.9)	(618.2)	(9,316.0)	(8,205.1)	(503.9)	(607.0)	(9,316.0)
Other IIS supply cost, thermal	100.0%	(5,334.0)	(4,653.7)	(326.3)	(354.0)	(5,334.0)	(4,742.6)	(250.3)	(341.1)	(5,334.0)
Off-island purchases	49.7%	(14,009.0)	(12,222.4)	(857.0)	(929.6)	(14,009.0)	(12,338.4)	(757.7)	(912.8)	(14,009.0)
On-island purchases	49.7%	(5,337.0)	(4,656.4)	(326.5)	(354.2)	(5,337.0)	(4,700.6)	(288.7)	(347.8)	(5,337.0)
Wind purchases	43.0%	(344.0)	(300.1)	(21.0)	(22.8)	(344.0)	(302.6)	(18.9)	(22.5)	(344.0)
Total		192,638.0	168,070.5	11,784.5	12,783.0	192,638.0	169,928.6	10,194.9	12,514.5	192,638.0
After Rural Island Allocation (96.6% to Newfoundland Power)										
	Demand	Energy Variance (\$000)	Existing		Proposed		Total			
			NF Power	Island Indust	Rural Island	Total				
Musktrat Falls Project costs	49.7%	237,671.0	222,595.5	14,539.3	-	237,134.8	224,289.3	12,855.2	-	237,144.4
Net revenue from exports	49.7%	(33,076.0)	(30,978.0)	(2,023.4)	-	(33,001.4)	(31,213.7)	(1,789.0)	-	(33,002.7)
Transmission tariff revenue	49.7%	(9,413.0)	(8,815.9)	(575.8)	-	(9,391.8)	(8,883.0)	(509.1)	-	(9,392.1)
Rate Mitigation funding	49.7%	-	-	-	-	-	-	-	-	-
Hollyrood TGS fuel	0.0%	(37,031.0)	(34,682.1)	(2,265.3)	-	(36,947.5)	(34,682.1)	(2,265.3)	-	(36,947.5)
Utility load variance	49.7%	53,018.0	49,655.1	3,243.3	-	52,898.4	50,032.9	2,867.6	-	52,900.5
Industrial load variance	49.7%	15,809.0	14,806.2	967.1	-	15,773.3	14,918.9	855.1	-	15,774.0
Greenhouse gas credit revenue	49.7%	(9,316.0)	(8,725.1)	(569.9)	-	(9,295.0)	(8,791.5)	(503.9)	-	(9,295.4)
Other IIS supply cost, thermal	100.0%	(5,334.0)	(4,995.7)	(326.3)	-	(5,322.0)	(5,072.1)	(250.3)	-	(5,322.4)
Off-island purchases	49.7%	(14,009.0)	(13,120.4)	(857.0)	-	(13,977.4)	(13,220.2)	(757.7)	-	(13,978.0)
On-island purchases	49.7%	(5,337.0)	(4,998.5)	(326.5)	-	(5,325.0)	(5,036.5)	(288.7)	-	(5,325.2)
Wind purchases	43.0%	(344.0)	(322.2)	(21.0)	-	(343.2)	(324.3)	(18.9)	-	(343.2)
Total		192,638.0	180,418.9	11,784.5	-	192,203.4	182,017.6	10,194.9	-	192,212.5

Note: The variance between the before and after Rural Island Allocation relates to the allocation of Rural Island to the Labrador Interconnected Customer Group.

Newfoundland and Labrador Hydro
2023 Analysis

	Energy Allocation				Demand Allocation			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
	5,858.00	334.07	412.00	6,604.07	16,136.30	795.90	1,113.20	18,045.40
	88.70%	5.06%	6.24%	100.00%	89.42%	4.41%	6.17%	100.00%
Before Rural Island Allocation								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Musktrat Falls Project costs	512,250.4	29,212.4	36,027.2	577,490.0	514,310.7	27,352.2	35,827.1	577,490.0
Net revenue from exports	(13,744.5)	(783.8)	(966.7)	(15,495.0)	(13,799.8)	(733.9)	(961.3)	(15,495.0)
Transmission tariff revenue	(14,785.0)	(843.2)	(1,039.8)	(16,668.0)	(14,844.5)	(789.5)	(1,034.1)	(16,668.0)
Rate Mitigation funding	(297,247.0)	(16,951.3)	(20,905.7)	(335,104.0)	(298,442.5)	(15,871.8)	(20,789.6)	(335,104.0)
Hollyrood TGS fuel	(43,367.7)	(2,473.2)	(3,050.1)	(48,891.0)	(43,367.7)	(2,473.2)	(3,050.1)	(48,891.0)
Utility load variance	(9,273.9)	(528.9)	(652.2)	(10,455.0)	(9,311.2)	(495.2)	(648.6)	(10,455.0)
Industrial load variance	16,073.9	916.7	1,130.5	18,121.0	16,138.5	858.3	1,124.2	18,121.0
Greenhouse gas credit revenue	(20,474.4)	(1,167.6)	(1,440.0)	(23,082.0)	(20,556.8)	(1,093.3)	(1,432.0)	(23,082.0)
Other IIS supply cost, thermal	(1,894.7)	(108.0)	(133.3)	(2,136.0)	(1,910.0)	(94.2)	(131.8)	(2,136.0)
Off-island purchases	(12,373.2)	(705.6)	(870.2)	(13,949.0)	(12,422.9)	(660.7)	(865.4)	(13,949.0)
On-island purchases	(2,766.6)	(157.8)	(194.6)	(3,119.0)	(2,777.8)	(147.7)	(193.5)	(3,119.0)
Wind purchases	(1,107.9)	(63.2)	(77.9)	(1,249.0)	(1,111.8)	(59.7)	(77.5)	(1,249.0)
Total	111,289.3	6,346.6	7,827.1	125,463.0	111,904.3	5,791.3	7,767.4	125,463.0
After Rural Island Allocation (96.6% to Newfoundland Power)								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Musktrat Falls Project costs	547,052.7	29,212.4	-	576,265.1	548,919.7	27,352.2	-	576,271.9
Net revenue from exports	(14,678.3)	(783.8)	-	(15,462.1)	(14,728.4)	(733.9)	-	(15,462.3)
Transmission tariff revenue	(15,789.5)	(843.2)	-	(16,632.6)	(15,843.4)	(789.5)	-	(16,632.8)
Rate Mitigation funding	(317,441.9)	(16,951.3)	-	(334,393.2)	(318,525.3)	(15,871.8)	-	(334,397.2)
Hollyrood TGS fuel	(46,314.1)	(2,473.2)	-	(48,787.3)	(46,314.1)	(2,473.2)	-	(48,787.3)
Utility load variance	(9,904.0)	(528.9)	-	(10,432.8)	(9,937.8)	(495.2)	-	(10,432.9)
Industrial load variance	17,165.9	916.7	-	18,082.6	17,224.5	858.3	-	18,082.8
Greenhouse gas credit revenue	(21,865.4)	(1,167.6)	-	(23,033.0)	(21,940.1)	(1,093.3)	-	(23,033.3)
Other IIS supply cost, thermal	(2,023.4)	(108.0)	-	(2,131.5)	(2,037.3)	(94.2)	-	(2,131.5)
Off-island purchases	(13,213.8)	(705.6)	-	(13,919.4)	(13,258.9)	(660.7)	-	(13,919.6)
On-island purchases	(2,954.6)	(157.8)	-	(3,112.4)	(2,964.7)	(147.7)	-	(3,112.4)
Wind purchases	(1,183.2)	(63.2)	-	(1,246.4)	(1,186.7)	(59.7)	-	(1,246.4)
Total	118,850.3	6,346.6	-	125,196.9	119,407.6	5,791.3	-	125,198.9

Note: The variance between the before and after Rural Island Allocation relates to the allocation of Rural Island to the Labrador Interconnected Customer Group.

Newfoundland and Labrador Hydro
2024 Analysis

	Energy Allocation				Demand Allocation			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
	5,702.00	444.79	400.00	6,546.79	16,283.46	971.90	1,047.70	18,303.06
	87.10%	6.79%	6.11%	100.00%	88.97%	5.31%	5.72%	100.00%
Before Rural Island Allocation								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Musktrat Falls Project costs	618,931.1	48,280.4	43,418.5	710,630.0	625,536.1	43,037.9	42,056.0	710,630.0
Net revenue from exports	(67,415.9)	(5,258.8)	(4,729.3)	(77,404.0)	(68,135.3)	(4,687.8)	(4,580.9)	(77,404.0)
Transmission tariff revenue	(15,658.1)	(1,221.4)	(1,098.4)	(17,978.0)	(15,825.2)	(1,088.8)	(1,064.0)	(17,978.0)
Rate Mitigation funding	(209,317.2)	(16,328.0)	(14,683.8)	(240,329.0)	(211,551.0)	(14,555.0)	(14,223.0)	(240,329.0)
Hollyrood TGS fuel	(48,135.4)	(3,754.9)	(3,376.7)	(55,267.0)	(48,135.4)	(3,754.9)	(3,376.7)	(55,267.0)
Utility load variance	15,675.6	1,222.8	1,099.7	17,998.0	15,842.8	1,090.0	1,065.1	17,998.0
Industrial load variance	11,511.5	898.0	807.5	13,217.0	11,634.3	800.5	782.2	13,217.0
Greenhouse gas credit revenue	(17,511.5)	(1,366.0)	(1,228.4)	(20,106.0)	(17,698.4)	(1,217.7)	(1,189.9)	(20,106.0)
Other IIS supply cost, thermal	(359.7)	(28.1)	(25.2)	(413.0)	(367.4)	(21.9)	(23.6)	(413.0)
Off-Island purchases	(12,033.2)	(938.7)	(844.1)	(13,816.0)	(12,161.6)	(836.7)	(817.6)	(13,816.0)
On-Island purchases	(8,830.7)	(688.8)	(619.5)	(10,139.0)	(8,924.9)	(614.0)	(600.0)	(10,139.0)
Wind purchases	(1,073.9)	(83.8)	(75.3)	(1,233.0)	(1,083.8)	(75.9)	(73.3)	(1,233.0)
Total	265,782.5	20,732.6	18,644.9	305,160.0	269,130.2	18,075.5	17,954.3	305,160.0
After Rural Island Allocation (96.6% to Newfoundland Power)								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Musktrat Falls Project costs	660,873.4	48,280.4	-	709,153.8	666,162.2	43,037.9	-	709,200.1
Net revenue from exports	(71,984.4)	(5,258.8)	-	(77,243.2)	(72,560.4)	(4,687.8)	-	(77,248.3)
Transmission tariff revenue	(16,719.2)	(1,221.4)	-	(17,940.7)	(16,853.0)	(1,088.8)	-	(17,941.8)
Rate Mitigation funding	(223,501.7)	(16,328.0)	-	(239,829.8)	(225,290.4)	(14,555.0)	-	(239,845.4)
Hollyrood TGS fuel	(51,397.3)	(3,754.9)	-	(55,152.2)	(51,397.3)	(3,754.9)	-	(55,152.2)
Utility load variance	16,737.8	1,222.8	-	17,960.6	16,871.8	1,090.0	-	17,961.8
Industrial load variance	12,291.6	898.0	-	13,189.5	12,389.9	800.5	-	13,190.4
Greenhouse gas credit revenue	(18,698.2)	(1,366.0)	-	(20,064.2)	(18,847.9)	(1,217.7)	-	(20,065.5)
Other IIS supply cost, thermal	(384.1)	(28.1)	-	(412.1)	(390.3)	(21.9)	-	(412.2)
Off-Island purchases	(12,848.6)	(938.7)	-	(13,787.3)	(12,951.5)	(836.7)	-	(13,788.2)
On-Island purchases	(9,429.1)	(688.8)	-	(10,117.9)	(9,504.6)	(614.0)	-	(10,118.6)
Wind purchases	(1,146.7)	(83.8)	-	(1,230.4)	(1,154.6)	(75.9)	-	(1,230.5)
Total	283,793.4	20,732.6	-	304,526.1	286,474.0	18,075.5	-	304,549.6

Note: The variance between the before and after Rural Island Allocation relates to the allocation of Rural Island to the Labrador Interconnected Customer Group.

Newfoundland and Labrador Hydro
2025 Analysis

	Energy Allocation				Demand Allocation			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
	5,829.00	502.64	424.00	6,755.64	15,931.25	1,050.24	1,125.40	18,106.89
	86.28%	7.44%	6.28%	100.00%	87.98%	5.80%	6.22%	100.00%
Before Rural Island Allocation								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Muskrat Falls Project costs	666,685.3	57,489.2	48,494.5	772,669.0	673,219.2	51,189.3	48,260.5	772,669.0
Net revenue from exports	(50,217.0)	(4,330.3)	(3,652.8)	(58,200.0)	(50,709.1)	(3,855.7)	(3,635.1)	(58,200.0)
Transmission tariff revenue	(15,510.3)	(1,337.5)	(1,128.2)	(17,976.0)	(15,662.3)	(1,190.9)	(1,122.8)	(17,976.0)
Rate Mitigation funding	(607,780.5)	(52,409.7)	(44,209.8)	(704,400.0)	(613,737.1)	(46,666.4)	(43,996.5)	(704,400.0)
Hollyrood TGS fuel	(47,233.3)	(4,073.0)	(3,435.7)	(54,742.0)	(47,233.3)	(4,073.0)	(3,435.7)	(54,742.0)
Utility load variance	(140.6)	(12.1)	(10.2)	(163.0)	(142.0)	(10.8)	(10.2)	(163.0)
Industrial load variance	9,405.8	811.1	684.2	10,901.0	9,497.9	722.2	680.9	10,901.0
Greenhouse gas credit revenue	(13,913.2)	(1,199.8)	(1,012.0)	(16,125.0)	(14,049.6)	(1,068.3)	(1,007.2)	(16,125.0)
Other IIS supply cost, thermal	(2,790.4)	(240.6)	(203.0)	(3,234.0)	(2,845.4)	(187.6)	(201.0)	(3,234.0)
Off-island purchases	(9,203.9)	(793.7)	(669.5)	(10,667.0)	(9,294.1)	(706.7)	(666.3)	(10,667.0)
On-island purchases	(10,114.1)	(872.2)	(735.7)	(11,722.0)	(10,213.3)	(776.6)	(732.2)	(11,722.0)
Wind purchases	(478.9)	(41.3)	(34.8)	(555.0)	(482.9)	(37.4)	(34.7)	(555.0)
Total	(81,291.1)	(7,009.8)	(5,913.1)	(94,214.0)	(81,651.9)	(6,661.9)	(5,900.2)	(94,214.0)
After Rural Island Allocation (96.6% to Newfoundland Power)								
	Existing				Proposed			
	NF Power	Island Indust	Rural Island	Total	NF Power	Island Indust	Rural Island	Total
Muskrat Falls Project costs	713,531.0	57,489.2	-	771,020.2	719,838.9	51,189.3	-	771,028.1
Net revenue from exports	(53,745.5)	(4,330.3)	-	(58,075.8)	(54,220.7)	(3,855.7)	-	(58,076.4)
Transmission tariff revenue	(16,600.2)	(1,337.5)	-	(17,937.6)	(16,746.9)	(1,190.9)	-	(17,937.8)
Rate Mitigation funding	(650,487.1)	(52,409.7)	-	(702,896.9)	(656,237.7)	(46,666.4)	-	(702,904.1)
Hollyrood TGS fuel	(50,552.2)	(4,073.0)	-	(54,625.2)	(50,552.2)	(4,073.0)	-	(54,625.2)
Utility load variance	(150.5)	(12.1)	-	(162.7)	(151.9)	(10.8)	-	(162.7)
Industrial load variance	10,066.7	811.1	-	10,877.7	10,155.7	722.2	-	10,877.9
Greenhouse gas credit revenue	(14,890.8)	(1,199.8)	-	(16,090.6)	(15,022.5)	(1,068.3)	-	(16,090.8)
Other IIS supply cost, thermal	(2,986.5)	(240.6)	-	(3,227.1)	(3,039.6)	(187.6)	-	(3,227.2)
Off-island purchases	(9,850.6)	(793.7)	-	(10,644.2)	(9,937.7)	(706.7)	-	(10,644.3)
On-island purchases	(10,824.8)	(872.2)	-	(11,697.0)	(10,920.5)	(776.6)	-	(11,697.1)
Wind purchases	(512.5)	(41.3)	-	(553.8)	(516.4)	(37.4)	-	(553.8)
Total	(87,003.1)	(7,009.8)	-	(94,013.0)	(87,351.4)	(6,661.9)	-	(94,013.4)

Note: The variance between the before and after Rural Island Allocation relates to the allocation of Rural Island to the Labrador Interconnected Customer Group.