Q. **Reference: Volume III, Exhibit 10, Section B 3.0, Monthly Customer Allocation, page 6**

The account definition states that each month, the year-to-date variances in the LT SCVDA will be allocated to demand and energy based on a consistent allocation methodology approved in the Test Year Cost of Service Study for each component, or otherwise approved by the Board for the allocation of the balances in this account.

Explain if "the consistent allocation methodology approved in the Test Year Cost of Service Study" is referring to the 2027 Test Year classification percentages between demand and energy for associated costs included in the 2027 Test Year. If not, explain.

A. Yes. The reference to "the consistent allocation methodology approved in the Test Year Cost of Service Study" refers to the demand and energy classification approved for each associated cost or revenue component in the applicable Test Year Cost of Service Study. For the proposed Long-Term Supply Cost Variance Deferral Account effective January 1, 2027, the classifications would be the demand and energy percentages approved by the Board of Commissioners of Public Utilities for the corresponding components in Newfoundland and Labrador Hydro's 2027 Test Year Cost of Service Study.