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March 24, 2023

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

Attention: Cheryl Blundon  
Director of Corporate Services and Board Secretary

**Re: Supply Cost Variance Deferral Account Monthly Report**

Further to correspondence from the Board of Commissioners of Public Utilities accompanying Board Order No. P.U. 4(2022),<sup>1</sup> please find enclosed Newfoundland and Labrador Hydro's report on the activity and balance of the Supply Cost Variance Deferral Account to the end of February 2023.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

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

Encl.

ecc:

**Board of Commissioners of Public Utilities**  
Jacqui H. Glynn  
PUB Official Email

**Island Industrial Customer Group**  
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<sup>1</sup> *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 4(2022), Board of Commissioners of Public Utilities, February 21, 2022.

# Supply Cost Variance Deferral Account Report (Unaudited)

February 2023

March 24, 2023

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account  
 Summary  
 February 28, 2023**

	Supply Cost Variance Deferral Account Balance (\$) (from page 2)	Utility Balance (\$) (from page 3)	Industrial Balance (\$) (from page 4)	Total to Date (\$) (from page 4)
Opening Balance	196,185,156	(5,784,457)	-	190,400,699 <sup>1</sup>
Adjustment	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>196,185,156</b>	<b>(5,784,457)</b>	<b>-</b>	<b>190,400,699</b>
January	207,626,354	(6,387,985)	-	201,238,369
February	198,569,743	(7,469,300)	-	191,100,443
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

<sup>1</sup> The December 31, 2022 balance of \$190.4 million is unaudited.

**Supply Cost Variance Deferral Account Report for February 2023 (Unaudited)**  
**Page 2 of 4**

Supply Cost Variance Deferral Account  
 Section A: Summary  
 February 28, 2023

	Muskat Falls Project Cost		Rate Mitigation Fund		Project Cost Recovery Rider			Holyhood TGS <sup>1</sup>			Other IIS <sup>2</sup> Supply Cost		Net Revenue From Exports		Transmission Tariff Revenue		Load Variation			Greenhouse Gas Credit Revenue			Subtotal Monthly			Financing Charges			Cumulative Net Balance (\$)					
	Variance (\$)		Variance (\$)		Utility (\$)	Industrial (\$)		Fuel Cost (\$)	Variance (\$)		Supply Cost (\$)	Variance (\$)		From Exports (\$)	Variance (\$)		Revenue (\$)	Variance (\$)	Utility (\$)	Industrial (\$)		Gas (\$)	Variance (\$)		Subtotal (\$)	Utility (\$)	Other (\$)	Transfers (\$)						
Opening Balance	277,547,131	-	-	-	(18,942,087)	-	(65,302,273)	(28,114,785)	(33,075,710)	(10,113,160)	18,294,888	(12,412,517)	191,432,132	(133,641)	4,886,665	-	196,185,156																	
Adjusted Opening Balance	277,547,131	-	-	-	(18,942,087)	-	(65,302,273)	(28,114,785)	(33,075,710)	(10,113,160)	18,294,888	(12,412,517)	191,432,132	(133,641)	4,886,665	-	196,185,156																	
January	19,795,154	-	-	-	(5,134,003)	-	(16,219,114)	(789,036)	(499,872)	(862,075)	1,367,244	3,962	10,748,541	(66,877)	759,534	-	207,626,354																	
February	19,400,443	-	-	-	(5,471,265)	-	(15,122,497)	(1,132,804)	(385,775)	(1,179,438)	1,080,034	(235,119)	(9,789,662)	(85,004)	818,055	-	198,569,743																	
March																																		
April																																		
May																																		
June																																		
July																																		
August																																		
September																																		
October																																		
November																																		
December																																		
<b>Year-to-Date</b>	<b>39,195,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,605,268)</b>	<b>-</b>	<b>(31,341,611)</b>	<b>(1,921,840)</b>	<b>(885,647)</b>	<b>(2,041,513)</b>	<b>2,447,278</b>	<b>(231,157)</b>	<b>958,879</b>	<b>(151,881)</b>	<b>1,577,589</b>	<b>-</b>	<b>2,384,587</b>																	
<b>Total</b>	<b>316,742,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,547,355)</b>	<b>-</b>	<b>(96,643,884)</b>	<b>(30,036,625)</b>	<b>(33,961,357)</b>	<b>(12,154,673)</b>	<b>20,742,166</b>	<b>(12,643,674)</b>	<b>192,391,011</b>	<b>(285,522)</b>	<b>6,464,254</b>	<b>-</b>	<b>198,569,743</b>																	

<sup>1</sup> Holyhood Thermal Generating Station ("Holyhood TGS").  
<sup>2</sup> Island Interconnected System ("IIS").

**Supply Cost Variance Deferral Account**  
**Section B: Utility Customer Balance**  
**February 28, 2023**

	<b>Allocation</b>	<b>Financing</b>	<b>Transfers</b>	<b>Cumulative</b>
	<b>Rural Rate</b>	<b>Charges</b>	<b>(\$)</b>	<b>Net</b>
	<b>Alteration<sup>1</sup></b>	<b>(\$)</b>	<b>(\$)</b>	<b>Balance</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Opening Balance	(5,625,788)	(158,669)	-	(5,784,457)
Adjustments	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>(5,625,788)</b>	<b>(158,669)</b>	<b>-</b>	<b>(5,784,457)</b>
January	(583,105)	(20,423)	-	(6,387,985)
February	(1,058,761)	(22,554)	-	(7,469,300)
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Year-to-Date</b>	<b>(1,641,866)</b>	<b>(42,977)</b>	<b>-</b>	<b>(1,684,843)</b>
<b>Total</b>	<b>(7,267,654)</b>	<b>(201,646)</b>	<b>-</b>	<b>(7,469,300)</b>

<sup>1</sup> The rural rate alteration is allocated between Utility and Labrador Interconnected customers in the same proportion that the rural deficit was allocated in the approved 2019 Cost of Service Study, which is 96.1% and 3.9%, respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

The only transactions posted to the Utility's Customer Balance is Newfoundland Power Inc.'s allocation of rural rate alteration and associated interest until further approval is obtained from the Board of Commissioners of Public Utilities ("Board").

**Supply Cost Variance Deferral Account**  
**Section B: Industrial Customers Balance<sup>1</sup>**  
**February 28, 2023**

	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$)
Opening Balance	-	-	-
January	-	-	-
February	-	-	-
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>Year-to-Date</b>	-	-	-
<b>Total</b>	-	-	-

<sup>1</sup> No transactions will be applied to this balance until further approval is obtained from the Board.