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February 27, 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 January 2023.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**

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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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Dean A. Porter, Poole Althouse

**Iron Ore Company of Canada**  
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**Linde Canada Inc.**  
Sheryl E. Nisenbaum  
Peter Strong

**Newfoundland Power Inc.**  
Dominic J. Foley  
Lindsay S.A. Hollett  
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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)

January 2023

February 27, 2023

A report to the Board of Commissioners of Public Utilities



**Supply Cost Variance Deferral Account  
 Summary  
 January 31, 2023**

	Supply Cost Variance Deferral Account Balance (\$) (from page 2)	Utility Balance (\$) (from page 3)	Industrial Balance (\$) (from page 4)	Total to Date (\$)
Opening Balance	196,185,156	(5,784,457)	-	190,400,699
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				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

**Supply Cost Variance Deferral Account Report for January 2023 (Unaudited)**

Supply Cost Variance Deferral Account  
Section A: Summary  
January 31, 2023

	Project Cost Recovery Rider			Load Variation			Financing Charges			Cumulative Net Balance (\$)		
	Muskat Falls Project Cost Variance (\$)	Rate Mitigation Fund (\$)		Utility (\$)	Industrial (\$)		Greenhouse Gas Credit Revenue Variance (\$)	Subtotal Monthly Variances (\$)	Utility (\$)		Other (\$)	Transfers (\$)
Opening Balance	277,547,131	-					(12,412,517)	191,432,132	(133,641)	4,886,665	-	196,185,156
Adjustment	-	-					-	-	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>277,547,131</b>	<b>-</b>		<b>(18,942,087)</b>	<b>-</b>	<b>(10,113,160)</b>	<b>(12,412,517)</b>	<b>191,432,132</b>	<b>(133,641)</b>	<b>4,886,665</b>	<b>-</b>	<b>196,185,156</b>
January	19,795,154	-		(5,134,003)	-	(862,075)	3,962	10,748,541	(66,877)	759,534	-	207,626,354
February												
March												
April												
May												
June												
July												
August												
September												
October												
November												
December												
<b>Year-to-Date</b>	<b>19,795,154</b>	<b>-</b>		<b>(5,134,003)</b>	<b>-</b>	<b>(862,075)</b>	<b>3,962</b>	<b>10,748,541</b>	<b>(66,877)</b>	<b>759,534</b>	<b>-</b>	<b>11,441,198</b>
<b>Total</b>	<b>297,342,285</b>	<b>-</b>		<b>(24,076,090)</b>	<b>-</b>	<b>(10,975,235)</b>	<b>(12,408,555)</b>	<b>202,180,673</b>	<b>(200,518)</b>	<b>5,646,199</b>	<b>-</b>	<b>207,626,354</b>

<sup>1</sup> Holyrood Thermal Generating Station ("Holyrood TGS").

<sup>2</sup> Island Interconnected System ("IIS").

**Supply Cost Variance Deferral Account**  
**Section B: Utility Customer Balance**  
**January 31, 2023**

	Allocation Rural Rate Alteration <sup>1</sup> (\$)	Financing Charges (\$)	Transfers (\$)	Cumulative Net Balance (\$)
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				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Year-to-Date</b>	<b>(583,105)</b>	<b>(20,423)</b>	<b>-</b>	<b>(603,528)</b>
<b>Total</b>	<b>(6,208,893)</b>	<b>(179,092)</b>	<b>-</b>	<b>(6,387,985)</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>**  
**January 31, 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.