

1 Q. Further to IIC-NLH-9 please explain why Hydro is not proposing to include 2019-2021 revenues
2 associated with the Greenhouse Gas Credits into the proposed deferral account.

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5 A. Newfoundland and Labrador Hydro's ("Hydro") application seeks approval of the proposed
6 Supply Cost Variance Deferral Account to become effective on the date upon which Hydro is
7 required to begin payments under the Muskrat Falls Power Purchase Agreement. In this respect,
8 Hydro's proposal for the deferral of costs is prospective in nature.

9 As such, Hydro is not proposing in its application to defer either changes in historical costs (for
10 example, those related to rural load variation) or changes in historical revenues (e.g., reduced
11 demand revenues from North Atlantic Refinery Limited due to closure, or increased revenues
12 due to sale of Greenhouse Gas Credits).