

1 Q. **Reference: Supply Cost Accounting Application, paragraph 16.**

2 Please detail the impact the approval of all Application proposals would have on Hydro's 2021
3 forecast regulated earnings assuming Muskrat Falls Contractual Payments and Muskrat Falls
4 Related Revenues amounts occur in 2021 as forecasted.

5

6

7 A. Please refer to NP-NLH-001, Attachment 1 for Newfoundland and Labrador Hydro's ("Hydro")
8 forecast of 2021 regulated loss of \$(181.1M). The approval of all application proposals would
9 result in an increase to Hydro's 2021 forecast regulated earnings of \$215.6M, resulting in
10 forecast earnings of \$34.5M. Please refer to NP-NLH-002, Attachment 1 for Hydro's adjusted
11 2021 forecast regulated earnings assuming all application proposals are approved.

	2021 Forecast¹ (\$ Millions)
Revenue	
Energy Sales	572.9
Other Revenue	18.8
Total Revenue	591.7
Expenses	
Operating Expenses	130.7
Other Income and Expense	0.5
Accounting Deviation Deferral ²	(124.6)
Supply Cost Deferral ³	(92.0)
Foreign Exchange	2.2
Fuels	131.6
Transmission and Fees	8.3
Purchased Power	326.4
Depreciation & Amortization	86.3
Accretion of Asset Retirement Obligation	0.1
Interest	87.8
Total Expenses	557.2
Net Income	34.5

¹ Net Income forecast for 2021 does not reflect the rate mitigation Agreement In Principle.

² Accounting Deviation Deferral includes the deferral of forecasted expenses related to the purchase of pre- and post-commissioning energy in accordance with the commercial terms of the Muskrat Falls Power Purchase Agreement ("Muskrat Falls PPA"). The Accounting Deviation Deferral for the deferral of expenses related to the purchase of pre-commissioning energy, forecast to be \$1.0 million, in accordance with the commercial terms of the Muskrat Falls PPA has been approved by the Public Utilities Board in Order No. P.U.9(2021). The approval of deferral of post-commissioning energy costs, forecast to be \$123.6 million, is a subject in the current application.

³ Supply Cost Deferral does not include the impact of the existing Energy Supply Deferrals, including the Rate Stabilization Plan.