

1 Q. PUB-NLH-025 inquired about the IFRS deviation deferral account. Currently, this account  
2 includes the deferral for pre-commissioning energy approved by the Board in Order No. P.U.  
3 9(2021). Please confirm that the deferral resulting from the proposed deviation included in this  
4 application to recognize the post commissioning energy in accordance with the commercial  
5 terms of the Muskrat Falls PPA, and the TFA will also be included in this same account or will  
6 there be separate accounts for the pre-commissioning energy from the Muskrat Falls PPA, the  
7 post commissioning energy from the Muskrat Falls PPA, and the transactions related to the TFA.  
8 If all of the costs are included in one IFRS deviation deferral account, will the three components  
9 noted above be tracked separately?

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12 A. It is confirmed that the deferral resulting from the proposed deviation included in this  
13 application to recognize the post-commissioning energy in accordance with the commercial  
14 terms of the Muskrat Falls Power Purchase Agreement (“PPA”), and the Transmission Funding  
15 Agreement (“TFA”) will be included in the same balance sheet account as the deferral for pre-  
16 commissioning energy approved by the Board in Order No. P.U. 9(2021). The three components  
17 noted (i.e., the pre-commissioning energy from the Muskrat Falls PPA, the post-commissioning  
18 energy from the Muskrat Falls PPA, and the transactions related to the TFA) will be tracked  
19 separately in separate income statement accounts.