



Newfoundland and Labrador Hydro
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November 14, 2022

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 & Board Secretary

Re: Allowance for Unforeseen Capital Expenditures Monthly Reporting

Further to the Board of Commissioners of Public Utilities' letters of May 24, 2013 and January 29, 2015, enclosed please find Newfoundland and Labrador Hydro's expenditures report setting out all capital expenditures made in relation to the Allowance for Unforeseen Items to the end of October 2022.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

A handwritten signature in blue ink, appearing to read 'Shirley A. Walsh', written over a horizontal line.

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

Encl.

ecc:

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

Newfoundland and Labrador Hydro
Allowance for Unforeseen Expenditures
For the Period January 1, 2022 to December 31, 2022

| | TL219 & TL203 ¹ | Supplementary Amount for Allowance for Unforeseen ² | Total | Balance | Comments |
|---------------------------|----------------------------|---|-----------|------------------|-----------------------------------|
| | (\$) | (\$) | (\$) | (\$) | |
| Approved Allowance | | | | 1,000,000 | See Board Order No. P.U. 37(2021) |
| Expenditures | | | | | |
| January | - | - | - | 1,000,000 | |
| February | (408,848) | - | (408,848) | 591,152 | |
| March | 17,519 | - | 17,519 | 608,671 | |
| April | (10,814) | 402,143 | 391,329 | 1,000,000 | See Board Order No. P.U. 9(2022) |
| May | - | - | - | 1,000,000 | |
| June | - | - | - | 1,000,000 | |
| July | - | - | - | 1,000,000 | |
| August | - | - | - | 1,000,000 | |
| September | - | - | - | 1,000,000 | |
| October | - | - | - | 1,000,000 | |
| November | - | - | - | 1,000,000 | |
| December | - | - | - | 1,000,000 | |
| Total | (402,143) | 402,143 | - | 1,000,000 | |

¹ On February 8, 2022, Newfoundland and Labrador Hydro ("Hydro") notified the Board of Commissioners of Public Utilities ("Board") that it would be utilizing the Allowance for Unforeseen Items Account to complete capital work on transmission lines TL219 and TL203 in response to storm damages. The final report was submitted on March 10, 2022, noting costs of approximately \$409,000 associated with this project. The balance of \$0.4 million reflects actuals.

² On March 16, 2022, Hydro filed an application with the Board requesting approval of a supplementary amount of \$408,848 to the Allowance for Unforeseen Items Account. In Board Order No. P.U. 9(2022), the Board directed that the 2022 Allowance for Unforeseen Items Account be reset to \$1.0 million effective April 6, 2022. Actual costs reported as of April 30, 2022, were incurred prior to April 6, 2022.

Newfoundland and Labrador Hydro
Allowance for Unforeseen Expenditures - Board Order No. P.U. 34(2021)
For the Period January 1, 2022 to December 31, 2022

| | Holyrood T2 Replacement¹ | Total² | Balance | Comments |
|---------------------------|--|--------------------------|------------------|-----------------|
| | (\$) | (\$) | (\$) | |
| Approved Allowance | | | N/A ² | |
| Expenditures | | | | |
| January | (220,768) | (220,768) | (220,768) | |
| February | (180,750) | (180,750) | (401,518) | |
| March | 8,277 | 8,277 | (393,241) | |
| April | (748) | (748) | (393,989) | |
| May | (4,737) | (4,737) | (398,726) | |
| June | - | - | (398,726) | |
| July | - | - | (398,726) | |
| August | - | - | (398,726) | |
| September | - | - | (398,726) | |
| October | - | - | (398,726) | |
| November | - | - | (398,726) | |
| December | - | - | (398,726) | |
| Total | (398,726) | (398,726) | (398,726) | |

¹ On November 19, 2021, Hydro notified the Board that it would be utilizing the Allowance for Unforeseen Items Account to complete capital work at Holyrood Thermal Generating Station ("Holyrood TGS") in response to failure of Unit 2 transformer ("T2"). On November 24, 2021, Hydro filed additional correspondence advising the Board of early cost estimates and schedule in relation to the work. The final report was filed with the Board on February 8, 2022, which estimated a total project spend of \$1.9 million which is comprised of \$1.7 million in 2021 and \$0.2 million in 2022. The balance of \$0.4 million reflects actuals in 2022.

² On November 24, 2021, Hydro made application to the Board for approval to continue recording in the Allowance for Unforeseen Items Account the variance associated with the expenditures related to the failure of Unit 3 boiler tubes at the Holyrood TGS and the replacement of T2 at the Holyrood TGS, with an application to follow in early 2022 for the inclusion of this variance in rate base. In Board Order P.U. 34(2021), the Board advised that it would address the appropriateness of the use of the Allowance for Unforeseen Items Account for these expenditures following the final reports related to each event, and the inclusion in rate base should be addressed in the 2021 Rate Base Application.