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January 29, 2021

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland Power's Normal Hydroelectric Production for 2021**

***Background***

In 2000, Newfoundland Power Inc. (the "Company") retained Acres International ("Acres"), a hydrology consultant, to review its hydroelectric generating systems with a view to determining an appropriate estimate of normal hydroelectric production ("Normal Hydroelectric Production"). The resulting water management study recommended Normal Hydroelectric Production of 423.1 GWh.

The study further recommended that Newfoundland Power should undertake a formal review of Normal Hydroelectric Production approximately every five years. In addition, the study recommended that Normal Hydroelectric Production be adjusted annually to reflect the impact on production of any scheduled outages in the year, and that adjustments also be made to reflect the impact on production of physical changes to the Company's hydroelectric facilities.

In 2015, the Company retained Acres' successor firm Hatch Ltd. ("Hatch") to update the hydrology studies that were completed in 2000 and 2010. The review completed by Hatch, which was filed with the Board in February 2017, recommended a Base Normal Hydroelectric Production for 2016 of 438.6 GWh. In 2020, the Company retained Hatch to conduct a further review and recommend an updated Base Normal Hydro Production. The review is ongoing and is expected to be completed in the 2<sup>nd</sup> quarter of 2021.

***Revision to Base Normal Hydroelectric Production***

Upgrades to the hydro plant at Tors Cove completed in 2018 increased annual hydroelectric production by 0.5 GWh. As a result, the Company's revised Base Normal Hydroelectric Production for 2021 is 439.1 GWh.

Newfoundland Power Inc.

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***Annual Adjustment***

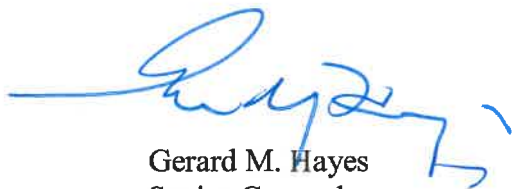
In 2021, the Company has scheduled refurbishment of the penstock at Topsail Plant which was approved in Order No. P.U. 37 (2020). To reflect projected spillage during the planned work and carry over work from 2020 at the Petty Harbour Plant, the revised Base Normal Hydroelectric Production figure of 439.1 GWh should be adjusted downward by 4.3 GWh. The Adjusted Normal Hydroelectric Production for 2021 is therefore 434.8 GWh.

***Concluding***

For ease of reference, the calculation of the Adjusted Normal Hydroelectric Production for 2021 is shown on the attached Schedule "A".

If there are any questions with respect to this matter, please contact the undersigned at the direct number noted below.

Yours very truly,



Gerard M. Hayes  
Senior Counsel

**SCHEDULE "A"**

**NEWFOUNDLAND POWER INC.  
ADJUSTMENTS TO NORMAL HYDROELECTRIC PRODUCTION (GWh)**

**2021**

<b>Base Normal Hydroelectric Production</b>	<b>438.6</b>
<i>Plus:</i> Runner Replacements – Tors Cove Hydro Plant (2018)	0.5
<b>Revised Base Normal Hydroelectric Production</b>	<b><u>439.1</u></b>
<i>Less:</i> Estimated Lost Production from Scheduled Outages (2021)	4.3
<b>Adjusted Normal Hydroelectric Production</b>	<b><u>434.8</u></b>