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December 18, 2024

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

Attention: Jo-Anne Galarneau  
Executive Director and Board Secretary

**Re: Quarterly Update – Items Impacting the Delay of Hydro's Next General Rate Application**

In Order No. P.U. 15(2020), the Board of Commissioners of Public Utilities ("Board") approved Newfoundland and Labrador Hydro's ("Hydro") request to delay the filing of its next general rate application ("GRA"). The Board directed Hydro to file quarterly updates with respect to the filing of its next GRA beginning on September 30, 2020, and to include the following:

- (i) Information related to:
  - a. The timeframe for the commissioning of the Muskrat Falls Project ("Project");
  - b. The financial restructuring of the Muskrat Falls Power Purchase Agreement;
  - c. The completion of the Government of Newfoundland and Labrador's ("Government") rate mitigation plan; and
- (ii) Projected 2021 cost increases and Hydro's plans to address these increases.

All of the Project assets have been commissioned, and Hydro commenced recovery of Project costs with the implementation of a Project Cost Recovery Rider for Hydro's Utility customer in 2022<sup>1</sup> and for its Industrial customers in 2024.<sup>2</sup>

With the May 2024 announcement of the Government's finalization of the rate mitigation plan, Hydro continues to prepare to file its next GRA in the second half of 2025. Hydro will continue to provide quarterly updates to the Board and will confirm a more specific date for the filing in a subsequent update.

Should you have any questions or comments about any of the enclosed, please contact the undersigned.

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<sup>1</sup> The Board approved an increase to the Utility Project Cost Recovery Rider effective August 1, 2024, in accordance with OC2024-062 and the Government's rate mitigation plan to 1.124 cents per kWh in Board Order No. P.U. 15(2024). Payments are credited to the Project Cost Recovery – Utility component of the Supply Cost Variance Deferral Account ("SCVDA").

<sup>2</sup> The Board approved the implementation of the Industrial Project Cost Recovery Rider of 0.888 cents per kWh effective January 2024 in Board Order No. P.U. 4(2024). Payments are credited to the Project Cost Recovery – Industrial component of the SCVDA.

Jo-Anne Galarneau  
Board of Commissioners of Public Utilities

2

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**



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