

1 Q. **Reference: Application, para. 19**

2 Please confirm, or correct, as necessary, that Hydro proposes the following:

3 a) CDM costs for Island customers will be recovered in the ECDM Deferral Account. No capital  
4 costs relating to CDM for Island customers, are currently, or will in the future, be included in  
5 rate base.

6 b) CDM costs for Labrador customers will be recovered in the ECDM Deferral Account. No  
7 capital costs relating to CDM for Labrador customers are currently, or will in the future, be  
8 included in rate base.

9 c) Electrification costs, ignoring capital for charging stations, for Island customers will be  
10 recovered in the ECDM deferral account.

11 d) Electrification costs, ignoring capital for charging stations, for Labrador customers will be  
12 recovered in the ECDM deferral account.

13 e) Capital costs for charging stations on the Island, less Government funding, will be recovered  
14 in the ECDM Deferral Account and will not be included in rate base.

15 f) Capital costs for charging stations in Labrador, less Government funding, will not at this time  
16 be recovered from customers, and will not be included in rate base, but may be recovered  
17 from customers in the future in the ECDM deferral account if it is determined that they are  
18 beneficial to customers and are consistent with the provision of least cost reliable service.

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21 A. a) Electrification, Conservation and Demand Management (“ECDM”) costs, as well as capital  
22 expenditures related to public charging stations on the Island Interconnected System are  
23 proposed to be charged to the ECDM Cost Deferral Account and recovered through the  
24 ECDM Cost Recovery Adjustment.<sup>1</sup> As the costs of these assets are proposed to be charged

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<sup>1</sup> As detailed in “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 1, app. B and C.

- 1 to the ECDM Cost Deferral Account, they will be excluded from Newfoundland and Labrador  
2 Hydro’s (“Hydro”) capital assets. Hydro’s deferral accounts are included in its computation  
3 of rate base.
- 4 b) It is confirmed that Conservation and Demand Management (“CDM”) costs for Labrador  
5 customers will be charged to the ECDM Cost Deferral Account and recovered through the  
6 ECDM Cost Recovery Adjustment as detailed in that proposed adjustment.<sup>2</sup> The capital  
7 expenditures related to the fast charging stations located in Labrador will not be included in  
8 rate base, nor will they be charged to the ECDM Cost Deferral Account or recovered through  
9 the ECDM Cost Recovery Adjustment. As noted in Hydro’s application,<sup>3</sup> if future evaluation  
10 determines that costs associated with electrification in Labrador are beneficial to customers  
11 and consistent with the provision of least-cost, reliable service over the long term, Hydro  
12 may propose to include prospective costs associated with the Labrador Interconnected  
13 System chargers in its ECDM Cost Deferral Account at that time.
- 14 c) Please refer to Hydro’s response to CA-NLH-002, part a).
- 15 d) Only those program costs pertaining to CDM on the Labrador Interconnected System,  
16 including costs associated with electric vehicle charging stations that are capable of demand  
17 response, will be charged to the ECDM Cost Deferral Account and for future recovery from  
18 customers. As noted in Hydro’s response to CA-NLH-002, part b, no capital expenditures  
19 related to the Labrador fast charging stations are proposed to be charged to the ECDM Cost  
20 Deferral Account.
- 21 e) Please refer to Hydro’s response to CA-NLH-002, part a).
- 22 f) Please refer to Hydro’s response to CA-NLH-002, part b).

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<sup>2</sup> “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 1, app. B and C.

<sup>3</sup> “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev.1, July 8, 2021 (originally filed June 16, 2021), application, p. 5, f.n. 2.