

1 Q. **Reference: Schedule 1 – Evidence, page 6**

2 It is stated “Based on Hydro’s currently approved CDM Recovery Adjustment definition,
3 recovery of these costs will take place over a seven-year period.”

4 a) Is a 7-year recovery period consistent with Newfoundland Power’s proposal?

5 b) If not, provide the rationale for having different recovery periods for Hydro and
6 Newfoundland Power.

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9 A. a) As noted in Newfoundland Power Inc.’s (“Newfoundland Power”) 2022/2023 General Rate
10 Application:

11 Newfoundland Power proposes that the Board approve, for costs incurred
12 commencing January 1, 2021, an increase in the amortization period for
13 customer CDM program costs from 7 years to 10 years, the amortization of
14 customer electrification program costs over 10 years, and corresponding
15 amendments to Clauses II.7 and II.9 of the Rate Stabilization Clause for the
16 reasons set out in the evidence filed in support of this Application.¹

17 Based on the foregoing, and to the best of Newfoundland and Labrador Hydro’s (“Hydro”)
18 knowledge, Newfoundland Power currently amortizes its Conservation and Demand
19 Management Program costs over a seven-year period. Should Newfoundland Power’s
20 proposal to increase the amortization period be approved, Hydro anticipates seeking
21 alignment.

22 b) Please see Hydro’s response to CA-NLH-021, part a).

¹ “2022/2023 General Rate Application,” Newfoundland Power Inc., May 27, 2021, vol. 1, application, p. 2, para. 11.