

1 Q. **Reference: ECDM Application (1<sup>st</sup> Revision), Schedule 1, page 6, lines 11-23 and Appendix A.**

2 Please complete the following table to demonstrate the impact that recording 2021 EV  
 3 infrastructure capital costs of \$724,300 to the ECDM Cost Deferral Account will have on Hydro’s  
 4 2021 and 2022 forecast regulated rate base and revenue requirement.

<b>EV Infrastructure Costs Recorded to a Deferral Account Impact on Regulated Rate Base and Revenue Requirement 2021 and 2022 Forecast</b>		
	<b>2021F</b>	<b>2022F</b>
<b>Average Rate Base</b>		
Opening Rate Base (A)		
Additions (B)		
Accumulated Amortization (C)		
Closing Rate Base (D=A+B-C)		
<b>Average Rate Base (E=(A+D)/2)</b>		
<b>Revenue Requirement</b>		
Amortization Expense (F)		
Return on Rate Base (G)		
<b>Revenue Requirement (H=F+G)</b>		

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7 A. Newfoundland and Labrador Hydro’s (“Hydro”) application proposes to charge the capital costs  
 8 associated with construction of electric vehicle (“EV”) charging infrastructure to the  
 9 Electrification , Conservation and Demand Management (“ECDM”) Cost Deferral Account. The  
 10 ECDM Cost Deferral Account, consistent with Hydro’s other deferral accounts, will be included in  
 11 Hydro’s computation of regulated rate base and will therefore attract financing costs at Hydro’s  
 12 approved test year weighted average cost of capital.

13 Please see Table 1 which provides the requested calculation, reflecting the recovery of ECDM  
 14 costs over a seven-year period beginning July 1 of each year based upon the prior year’s closing  
 15 balance.

**Table 1: EV Infrastructure Costs Recorded to a Deferral Account<sup>1</sup>  
 Impact on Regulated Rate Base and Revenue Requirement  
 2021 and 2022 Forecast  
 (\$000)**

	2021F	2022F
<b>Average Rate Base</b>		
Opening Rate Base (A)	-	645.8
Additions (B)	645.8	78.5
Amortization (C)	-	(46.1)
Closing Rate Base (D=A+B-C)	645.8	678.2
<b>Average Rate Base (E=(A+D)/2)</b>	<b>322.9</b>	<b>662.0</b>
<b>Revenue Requirement</b>		
Amortization Expense (F)	-	46.1
Return on Rate Base (G)	17.5	35.9
<b>Revenue Requirement (H=F+G)</b>	<b>17.5</b>	<b>82.0</b>

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<sup>1</sup> Assumes depreciation in the deferral account commences July of the following year.