

1 Q. **Reference: Section 4.7.2: Proposed Deferral and Recovery Mechanisms.**

2 Why is CDM not recovered as a normal component of the utility revenue
3 requirement?

4

5

6 A. CDM expenditures are not proposed to be recovered as a normal component of the
7 utility revenue requirement for the reasons discussed on page 21 of Section 4.1.2 of
8 Exhibit 9. As stated page A1-1 of the report, Hydro's CDM program costs exclude
9 administrative and general expenses necessary to coordinate, advertise and
10 monitor the program.