

1 Q. The Electrification Cost Deferral Account (“Deferral Account”) approved in Order No. P.U.
2 33(2023), includes capital costs incurred for EV chargers as well as the net operating costs of the
3 chargers for future recovery from rate payers. In the Application, Hydro states that funds
4 expended will not be proposed for inclusion in its regulated rate base for recovery from
5 customers “at this time.”

6 a. Is Hydro proposing to include the capital costs contributed by Hydro as part of this
7 Application, as well as the net operating costs of the proposed EV chargers, in this Deferral
8 Account? If the Deferral Account is not being used, please explain why and how these costs
9 are being recorded.

10 b. Is Hydro proposing to include the capital costs contributed by Hydro as part of this
11 Application, as well as the net operating costs of the proposed EV chargers in non-regulatory
12 operations? If so, does Hydro anticipate that in a future year it may propose to move the
13 chargers from non-regulated operations to regulated operations to recover the costs from
14 rate payers.

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17 A. a. Newfoundland and Labrador Hydro (“Hydro”) is not proposing to utilize the Electrification
18 Cost Deferral Account for the chargers in this Application (for either the capital costs
19 contributed by Hydro or the net operating costs). This approach is consistent with Hydro’s
20 proposal to exclude these costs for recovery from ratepayers. For an explanation of how
21 these costs are being recorded, please refer to part (b) of this response.

22 b. Yes, Hydro is proposing to record the capital costs, operating costs, revenues, and
23 government funding associated with the proposed EV chargers in non-regulated operations.
24 This will ensure that no recovery occurs from ratepayers. Hydro may, at a future date, make
25 a new application to the Board of Commissioners of Public Utilities for recovery of these
26 costs from ratepayers. Any such application would include evidence to support this
27 approach and only include prospective costs.