Q. **Reference: Supplemental Material, Schedule D-V Summary of Deferred Charges**

Schedule D-V filed with the Supplemental Material has not changed since the original filing of Schedule D-V in the 2026 GRA. Confirm if the January 1, 2027 Opening Balance in Schedule D-V filed in the original 2026 GRA was prepared using 2025 Actual activity.

A. The 2027 Test Year and corresponding average rate base and deferred charges were not updated for the 2025 Actual activity. The 2025 Actual activity included in the Supplemental Material for Newfoundland and Labrador Hydro's ("Hydro") 2026 General Rate Application ("GRA") was provided for comparative purposes.

The primary difference between deferred charges 2025 Actual activity of $58 million in comparison to the GRA 2025 Forecast of $72 million was because the GRA forecast did not exclude the deferrals[1] proposed for inclusion in rate base in the 2026 GRA. Restating the 2025 Actuals to include the proposed deferrals would have resulted in a deferral balance of $72 million.

Accordingly, the use of the 2025 Forecast balance rather than the 2025 Actual balance does not result in a material difference to the proposed 2027 rate base, and Schedule D-V of Hydro's 2026 GRA remains representative of the proposed 2027 rate base. Please refer to CA-NLH-193, Attachment 1 of this proceeding for the detailed Schedule D-V, including the 2025 Actuals and 2025 Forecast.

[1] The listing of deferrals includes: Phase Two Hearing Costs, Business System Transformation Program, Muskrat Falls Power Purchase Agreement Sustaining Capital, Reliability and Resource Adequacy and Holyrood Thermal Generation Station Accelerated Depreciation deferrals.