Q. (2021 Electrification, Conservation and Demand Management Application, Volume 1, page 21) Please provide the calculation in Table 7 for years 2 and 3 of the Program. Is this calculation comparable to that in other Provinces? Please provide examples.

A. Table 1 provides Newfoundland Power's estimated 2022 and 2023 net cost deferrals resulting from implementation of customer electrification programs.

Table 1:
Newfoundland Power
Estimated Net Cost Deferral
2022 and 2023
(000s)

	2022	**2023**
Program Costs [1]	$3,014	$3,944
Income Tax Effects [2]	($904)	($1,183)
Net Deferral	**$2,110**	**$2,761**

Newfoundland Power has not researched the calculation of deferred cost recoveries in other provinces.[3] However, the Company observes that the proposed definition of the Electrification Cost Deferral Account is consistent with the definition of the existing CDM Cost Deferral Account approved by the Board in Order Nos. P.U. 13 (2009) and P.U. 13 (2013).[4]

[1] See the *2021 Electrification, Conservation and Demand Management Application,* Volume 1, Exhibit 2, Appendix A, Column B.

[2] Reflects a 2021 marginal income tax rate of 30%.

[3] Program costs are based on the electrification initiatives in the *Electrification, Conservation and Demand Management Plan: 2021-2025* (the "2021 Plan"), which are consistent with utility offerings in other jurisdictions. Schedule B to the 2021 Plan provides an overview of current North American utility electrification initiatives.

[4] See the *2021 Electrification, Conservation and Demand Management Application,* Volume 1, Exhibit 1 for the definition of the Electrification Cost Deferral Account.