

1 **Q. (2021 Electrification, Conservation and Demand Management Application, Volume**  
 2 **1, page 21) Does the proposed deferral account have an offsetting component for**  
 3 **increased revenues from electricity sales? Please explain. Please provide a detailed**  
 4 **calculation of the net cost deferral calculation including all assumptions based on**  
 5 **estimates for 2022.**

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 7 A. Table 1 provides the calculation of Newfoundland Power's estimated 2022 net cost  
 8 deferral resulting from implementation of the Customer Electrification Portfolio.  
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**Table 1:**  
**Newfoundland Power**  
**Estimated Net Cost Deferral Calculation**  
**2022**  
**(\$000s)**

<b>Program</b>	
Residential EV and Charging Infrastructure <sup>1</sup>	978
Commercial EV and Charging Infrastructure <sup>2</sup>	361
Custom Electrification <sup>3</sup>	273
Make Ready Model <sup>4</sup>	70
Planning Costs <sup>5</sup>	1,113
Charging Station Operating Costs <sup>6</sup>	219
<b>Total Program Costs<sup>7</sup></b>	<b>3,014</b>
Income Tax Effects <sup>8</sup>	(904)
<b>Net Deferral</b>	<b>2,110</b>

<sup>1</sup> Includes rebates and program administration costs. For full details on the Residential EV and Charging Infrastructure program, see the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule F, pages 1-3.

<sup>2</sup> Includes rebates and program administration costs. For full details on the Commercial EV and Charging Infrastructure program, see the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule F, pages 4-6.

<sup>3</sup> Includes rebates and program administration costs. For full details on the Custom Electrification program, see the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule F, pages 7-8.

<sup>4</sup> Includes rebates and program administration costs. For full details on the make-ready model, see the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule J.

<sup>5</sup> Includes pilot programs. For full details on pilot programs, see *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule K.

<sup>6</sup> Includes labour, operating and maintenance costs associated with the Company's charging stations.

<sup>7</sup> See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Exhibit 2, Appendix A, Column B.

<sup>8</sup> Reflects a 2021 marginal income tax rate of 30%.

1 No, the proposed definition of the Electrification Cost Deferral Account does not include  
2 an offsetting component for increased revenues from electricity sales. The proposed  
3 definition of the Electrification Cost Deferral Account does, however, provide an  
4 offsetting component for any revenues associated with the operation of Company-owned  
5 charging stations.<sup>9</sup>  
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7 Changes in revenues resulting from electricity sales are interrogated by the Board on a  
8 triennial basis in the context of general rate applications (“GRA”). For example, if  
9 approved, the Company’s customer, energy and demand forecasts that will be filed with  
10 Newfoundland Power’s next GRA would reflect forecast changes in sales as a result of  
11 the implementation *Electrification, Conservation and Demand Management Plan: 2021-*  
12 *2025*.<sup>10</sup>

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<sup>9</sup> See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Exhibit 1 for the proposed definition of the Electrification Cost Deferral Account.

<sup>10</sup> The Company’s next GRA will be filed by June 1, 2021 in accordance with Order No. P.U. 2 (2019).