

1     **Q.     Defer and Recover CDM**

2             Per Exhibit 9 Table 5 Deferred Charges identifies a closing 2012 CDM balance of  
3             \$2.4M. Per the Exhibit 9 Table 6 following the actual annual expenditures are  
4             dissimilar. Please reconcile the differences.

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7     **A.**     The costs outlined in Exhibit 9 Table 5 Deferred Charges refers only to program  
8             costs related directly to the deferral account and do not include those that are  
9             charged against non-regulated activities. Exhibit 9 Table 6 provides an overview of  
10            the full CDM portfolio costs which include those that are deferred but also those  
11            that are charged against non-regulated activities and therefore not deferred. These  
12            costs charged to non-regulated activities are associated with providing the  
13            programs to the Labrador Interconnected System.