

1 Q. (Re: Table 3.6 and CA-NLH-131) Hydro states that "it is the opinion of Lummus
2 Consultants that it is common practice in the utility industry to include such charges
3 in rate base." Can Hydro or Lummus support this opinion by providing a sample list
4 jurisdictions that have provided for the inclusion of deferred values as a component
5 of rate base?

6
7
8 A. For the treatment of deferred costs in rate base or base rate revenue requirement
9 in Canadian jurisdictions, other than Newfoundland and Labrador, please refer to
10 the response to PUB-NLH-312.

11
12 A sample list of jurisdictions that have requested inclusion of deferred values as a
13 component of rate base is provided below.

14
15 Newfoundland

16 As indicated on pages 4.21 and 4.22 of Hydro's 2013 GRA application,
17 Newfoundland Power has, from time to time, been permitted by the Board to defer
18 the recovery of certain items. These include deferral or recovery mechanisms
19 related to:

- 20 • Revenue Shortfall Deferral;
- 21 • Weather Normalization Account, with both a reversing and non-reversing
- 22 mechanism;
- 23 • Amortization True-Up Deferral;
- 24 • Pension Deferral;
- 25 • Replacement Energy Deferral;
- 26 • Deferred GRA Costs;
- 27 • Conservation and Demand Management Deferral;

- Municipal Tax Liability;
- Unbilled Revenue;
- Purchased Power Unit Cost Variance Reserve;
- Future Removal and Site Restoration Provision;
- Demand Management Incentive Account (DMI);
- Pension Expense Variance Deferral Account (PEVDA);
- Energy Supply Cost Variance Reserve (ESCVR);
- Other Post-Employment Benefits (OPEBS) Variance Deferral Account;
- Cost Recovery Deferral Account;
- Cost of Capital Deferral; and
- Rate Stabilization Account (RSA).

Kentucky

Kentucky American Water Company includes several deferred costs in rate base, including:

- Deferred Income Taxes;
- Deferred Investment Tax Credit; and
- Deferred Maintenance.

<http://www.nasuca.org/archive/KY%20Public%20Service%20Commission%20Order%202012-10.pdf>

Utah

Rocky Mountain Power includes deferred income taxes in rate base.

Nevada

- Deferred Energy

Sections NAC 704.035 through NAC 704.045 in

<http://www.leg.state.nv.us/NAC/nac-704.html#NAC704Sec035>

Oregon

Deferred recovery for:

- Income Taxes;

<http://www.oregonlaws.org/ors/757.269>

- Decoupling Mechanism; and

- Site Remediation and Recovery Mechanism (SRRM)

<https://www.nwnatural.com/AboutNWNatural/PressRoom/2012PressReleases/OregonCommissionApprovesKeyMechanismsInNWNaturalRateCaseDecision/>

South Carolina

South Carolina Electric and Gas

- Deferred Pension Costs; and
- Accumulated Deferred Income Taxes

<http://www.scana.com/NR/rdonlyres/4671C9B0-C54F-4355-AFAD-80442EE59B4B/0/CommissionOrder2012RateCase.pdf>

North Carolina

Carolina Power and Light (d/b/a Progress Energy)

- Request for a regulatory account for its nuclear refueling outage expenses

https://www.progress-energy.com/assets/www/docs/home/149855_1_GeneralRateCaseInsert.pdf

Wyoming

Questar Gas

- DSM Deferral Account

<http://www.questargas.com/Tariffs/wytariff.pdf>

Delaware

Delmarva Power and Light Company has proposed deferred costs for:

- Advanced Metering Infrastructure (AMI);
- Pension Expense;
- IRP;
- RFP;
- Dynamic Pricing;
- Direct Load Control;
- Medicare Subsidy;
- Federal Income Tax Reserve; and
- Investment Tax Credits.

<http://dep.sc.delaware.gov/naturalgas/10-237%20ziminsky%20rebut.pdf>

<http://dep.sc.delaware.gov/electric/13-115%20CRANE%20APP%20A-B.pdf>

Louisiana

On February 15, 2013 Entergy Louisiana and Entergy Gulf States Louisiana requested deferral of rate case expenses and Midwest Independent System Operator (MISO) costs. [Order has not yet been issued.]

http://entergy.com/content/investor_relations/pdfs/EGSL_ELL_Fact_Sheet_2_28_13.pdf

Maryland

Potomac Electric Company includes in rate base:

- Deferred storm costs; and

- Accumulated Deferred Income Taxes

Indiana

Vectren Energy Delivery includes deferred costs for:

- DSM Expenses; and
- Midwest Independent System Operator (MISO) Day 1 and Day 2 Deferred Amortization.

http://www.in.gov/iurc/files/Cause_No._43839.pdf

New York

Keyspan Energy Delivery of Long Island has:

- Deferred Merger Costs;
- Deferred Site Investigation and Remediation (SIR) Expenditures; and
- Deferred Pension Costs.

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={866A26E1-6B08-48A5-BB7A-4EF2D1051406}>

Rhode Island

United Water Rhode Island, Inc. has:

- Deferred Tank Painting; and
- Deferred Rate Case Expense.

<http://www.ripuc.org/eventsactions/docket/4434-UWRI-MICHAELSON.pdf>

Delaware and Idaho (EEI Survey)

Have approved deferred cost recovery for Smart Grid.

http://www.edisonfoundation.net/IEE/Documents/IEE_State_Update_SG_Cost_Review.pdf

1 In 2005 the Missouri Public Service Commission conducted a survey of other states
2 as to the standards and criteria used when determining whether to grant an
3 Accounting Authority Order (AAO), a mechanism used to allow a rate-regulated
4 utility to accrue expenses between rate cases to cover items that were not in effect
5 at the time of the last rate case and were generally unforeseen. The survey results
6 are in the link below.
7 www.naruc.org/Publications/Missouri-Deferral%20Survey.doc