

- 1 Q. Further to response to Request for Information IC-NLH-009:
2 Please explain why the proposed CDM recovery mechanism includes a rolling seven
3 year amortization period given the Board has approved a discrete seven year
4 recovery period for the CDM costs of Newfoundland Power. In the response, please
5 provide the advantages and disadvantages of each approach.
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- 8 A. The proposed CDM recovery mechanism includes a rolling seven-year amortization
9 for ease of understanding and administration. As well, a rolling balance should
10 provide a smoothing effect in comparison to a discrete seven-year recovery period.
11 As a disadvantage, if the CDM programs were to cease, Hydro would apply to the
12 Board for a fixed recovery period to completely clear the balance in the recovery
13 account.