

1    Q.    **2013 General Rate Application, Deferral and Recovery Mechanisms**

2            Provide a comparison of the deferral and recovery mechanisms already approved  
3            for Hydro and those for which approval is now requested with those approved for  
4            utilities in other Canadian jurisdictions.

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7    A.    Hydro's deferral mechanisms, both approved and proposed, are:

- 8            • Rate Stabilization Plan – Holyrood Fuel Costs;
- 9            • Rate Stabilization Plan – Proposed Energy Supply provisions;
- 10           • *Proposed* Deferred Hearing Costs;
- 11           • Deferred Foreign Exchange Losses;
- 12           • Deferred Major Extraordinary Repairs;
- 13           • Deferred Study Costs;
- 14           • Deferred Energy Conservation Costs;
- 15           • Deferred Purchased Power Savings, (L'Anse au Loup); and
- 16           • *Proposed* Deferred Energy Supply - Isolated Systems.

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18           The deferral and recovery mechanisms Hydro has identified as being approved for  
19           utilities in other Canadian jurisdictions<sup>1</sup> are shown below. Please note that while  
20           the exact name of the mechanism may differ among the utilities, Hydro has  
21           summarized the information into the categories that follow:

- 22           • Energy Supply Variance
  - 23                ○ Nova Scotia Power (Fuel)
  - 24                ○ Manitoba Hydro (Gas Operations)

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<sup>1</sup> 2011 CEA Accounting Committee informal survey responses. On this basis, Hydro notes that this may not be an exhaustive list of all deferral and recovery mechanisms utilized by utilities in Canadian jurisdictions.

- 1       • Interest Deferral
  - 2           ○ Nova Scotia Power (derivative instruments)
  - 3           ○ Fortis Alberta (Automated metering foreign exchange deferral)
  - 4           ○ BC Hydro (Foreign Exchange Gains and Losses)
  - 5           ○ BC Hydro (Finance Charges)
  - 6
- 7       • Load Variations
  - 8           ○ BC Hydro (Heritage and Non-Heritage Accounts)
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- 10      • CDM/DSM
  - 11           ○ Nova Scotia Power
  - 12           ○ BC Hydro
  - 13           ○ Hydro One (Green Energy Plan Variances)
  - 14           ○ Manitoba Hydro
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- 16      • Hearing /Regulatory Costs
  - 17           ○ Fortis Alberta
  - 18           ○ Manitoba Hydro
  - 19           ○ AltaLink
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- 21      • Asset Removal/Site Restoration Costs
  - 22           ○ Fortis Alberta
  - 23           ○ BC Hydro
  - 24           ○ Manitoba Hydro
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- 26      • Transmission Costs
  - 27           ○ Enmax

- 1                   ○ Fortis Alberta
- 2                   ○ Distribution Costs
- 3                   ○ Fortis Alberta
- 4                   ○ Hydro One

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- 6           • Environmental Costs

- 7                   ○ BC Hydro

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- 9           • Pension Costs

- 10                   ○ Fortis Alberta
- 11                   ○ BC Hydro
- 12                   ○ Hydro One

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- 14           • Municipal Tax

- 15                   ○ Fortis Alberta

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- 17           • Smart Metering

- 18                   ○ BC Hydro
- 19                   ○ Toronto Hydro