

1 Q. Further to the response to PUB-NLH-406 Attachment 1 – Calculation of CDM
2 Recovery Mechanism, please provide a detailed description for each year of what is
3 included in “*Other System Plan Deferred Costs*.” Also, please provide a list of any
4 CDM programs that are included in these annual amounts and the percentage split
5 of each of these programs among the rate classes they benefit.

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8 A. The “*Other System Plan Deferred Costs*” includes the Isolated Systems Community
9 Energy Efficiency Program and the Isolated Systems Business Efficiency Program.
10 Please refer to Hydro’s response to IN-NLH-009 Attachment 2 for a detailed
11 description of these programs.

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13 These programs benefit Newfoundland Power and Hydro Rural Labrador
14 Interconnected customers through lower fuel costs and thereby the rural deficit. As
15 outlined in the Rates Schedules, CDM Cost Recovery Adjustment, Page 18 and 19 of
16 46, the costs of the Rural Isolated System CDM programs are allocated between
17 Newfoundland Power and Hydro Rural Labrador Interconnected customers in the
18 same proportion that the rural deficit is allocated in the approved Test Year Cost of
19 Service Study. The portion allocated to the customers on the Labrador
20 Interconnected System shall be written off to Hydro’s net income.