

1 **Q. [Reserve] – Please identify whether relying on a 5% threshold for the amortization**
2 **of reserve difference is an industry standard or whether such approach is in limited**
3 **use by the industry. To the extent the 5% threshold approach is not widely used,**
4 **please identify those jurisdictions that do employ such method.**

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6 A. The 5% threshold is less common in the industry than having no threshold, but the 5%
7 threshold has been the longstanding practice between Newfoundland Power and the
8 Board. The jurisdictions that use the 5% threshold for the amortization of the reserve
9 difference are Alberta and the Northwest Territories.