

Q. 2013-2014 General Rate Application, Amortization of Deferrals

In Section 3.5.1 of the Application NP outlines its proposition to amortize over the three-year period: (i) cost recovery deferrals approved in 2010 for 2011, \$2,400,000, in 2011 for 2012, \$2,400,000, and in 2012 for 2012, \$2,500,000; (ii) third party hearing costs associated with this Application, \$1,250,000; (iii) the year end 2011 balance in the Weather Normalization Reserve, (\$7,005,0000); and (iv) a 2013 revenue shortfall resulting from a forecast March 1, 2013 implementation of revised customer rates, netting to \$0 over the three-year period. The period of amortization is 2013, 2014 and 2015, and the total amount to be recovered is \$1,545,000.

If an approved deferred amount has been totally collected in rates and NP believes that it would not be efficient to adjust rates only on the basis of this change in the revenue requirement, is it an option, in NP's view, to continue to collect the approved amount in the deferral account, and, at year end, apply to the Board to dispose of this amount through the Rate Stabilization Account?

A. Please refer to the responses to Request for Information PUB-NP-110, PUB-NP-112 and PUB-NP-115.