

1 Q. **Reference: Sustaining Capital Deferral Account**

2 Will the proposed Sustaining Capital Deferral Account be included in rate base if interest is being  
3 charged and deferred on a monthly basis?

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6 A. The definition of the Sustaining Capital Deferral Account as per Appendix C of the application  
7 does not include the calculation of interest on the balance. The determination of whether  
8 Newfoundland and Labrador Hydro (“Hydro”) will request to include the deferral balance in rate  
9 base will be addressed as part of Hydro’s next general rate application.