

1 Q. **Reference: Schedule 5 2022 Average Rate Base**

2 In Order No. P.U. 30(2021) the Board approved capital expenditures for the deployment of
3 Electric Vehicle charging stations in the amount of \$1.6 million and in Order No. P.U. 33(2022)
4 the Board stated

5 To be consistent with Newfoundland Power’s approach Hydro should also
6 request approval of a separate electrification cost deferral account.

7 However, to date, Hydro has not requested approval of this account.

8 a) Were any of these chargers completed and placed in service during 2022? If so, how
9 were these costs treated for accounting purposes?

10 b) Please confirm that the costs for these chargers are not included in the average rate
11 base for 2022.

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14 A. a) The chargers were all completed and placed into service in 2022, with the project totalling
15 \$1.8 million. The electric vehicle charging stations were set up under ‘Property, Plant and
16 Equipment’ in the Regulated Operations' Balance Sheet. The corresponding contributions
17 and grants of \$1.5 million were set up as deferred contributions in the Regulated
18 Operations' Balance Sheet.

19 b) The assets and deferred contributions were both deducted from Newfoundland and
20 Labrador Hydro's (“Hydro”) rate base for 2022 via the 'Average Assets Excluded From Rate
21 Base' line in Return 3 of Hydro's 2022 Annual Return.¹ As a result, Hydro can confirm that
22 the costs were not included in rate base for 2022.

¹ “2022 Annual Return,” Newfoundland and Labrador Hydro, March 31, 2023.