

1 Q. The definition of the Hydraulic Resources Optimization Deferral Account (“Deferral Account”)
2 states that Hydro will file a separate application for Board approval of the disposition of the
3 balance in the account.

4 Has Hydro considered how the disposition of any accumulated balance in this Deferral Account
5 will be treated on a go forward basis, such as an annual application for disposition or an annual
6 transfer to the Net Revenues from Export component within the Supply Cost Variance Deferral
7 Account? Please advise of other disposition options and why Hydro would or would not propose
8 them at this time.

9

10

11 A. Newfoundland and Labrador Hydro (“Hydro”) has considered disposition options for future
12 treatment of any accumulated balance in this Hydraulic Resources Optimization Deferral
13 Account (“Deferral Account”).

14 Hydro’s preferred approach at this time is an annual application to transfer to the Net Revenues
15 from Export component within the Supply Cost Variance Deferral Account (“SCVDA”). Hydro will
16 monitor the ponding and spill activity in this Deferral Account and may propose to record this
17 activity directly in the SCVDA in a future application to the Board of Commissioners of Public
18 Utilities.