

- 1 Q. **2013 General Rate Application, Deferral and Recovery Mechanisms**
- 2 Provide a table showing all deferral and recovery mechanisms, approved by the
- 3 Board, that are currently used by Hydro. Include in the table the Board Order
- 4 number, the effective date, the length of the period of amortization, the forecast
- 5 balance as of December 31, 2013 and the planned manner of disposition.
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- 7
- 8 A. Please refer to PUB-NLH-093 Attachment 1.

## Deferral and Recovery Mechanisms

#	Deferral and Recovery Mechanisms	Board Order	Effective Date	Amortization Period (years)	Forecast Balance as of Dec 31, 2013 (\$millions)	Manner of Disposition
1	Rate Stabilization Plan (RSP)	<b>Note 1</b>	1986	<b>Note 2</b>	168.40	Recovery Mechanism
2	Deferred Foreign Exchange Losses	P.U. 7 (2002-03)	2002	40	60.40	Straight-line Amortization
3	Deferred Major Extraordinary Repairs:					
	- Asbestos Abatement Program	P.U. 2 (2005)	2005	5	0.0	Straight-line Amortization
	- Repair of Unit 2 Boiler	P.U. 44 (2006)	2006	5	0.0	Straight-line Amortization
4	Deferred Study Costs	P.U. 8 (2007)	2007	3	0.0	Straight-line Amortization
5	Deferred Energy Conservation Costs	<b>Note 3</b>	2009	n/a	4.80	Refer to #7
6	Deferred Purchased Power Savings	P.U. 5 (1996-97)	1996	30	0.5	Straight-line Amortization

#	New Deferral and Recovery Mechanisms	2013 GRA Application	Effective Date	Amortization Period (years)	Forecast Balance as of Dec 31, 2013 (\$millions)	Manner of Disposition
7	Recovery of CDM Deferral and ongoing CDM costs	Section 4: Rates and Regulation, 4.7.2( i)	2013	7	Refer to #5	Recovery Mechanism
8	Diesel Cost Variation	Section 4: Rates and Regulation, 4.7.3.1	2013	TBD	0.0	Recovery Mechanism
9	Isolated Systems Purchase Power Variance Deferral	Section 4: Rates and Regulation, 4.7.3.2	2013	TBD	0.0	Recovery Mechanism
10	GRA Costs	Section 4: Rates and Regulation, 4.7.4	2013	3	0.7	Straight-line Amortization

**Note 1:** The original RSP was approved November 8, 1985. The rules and regulations of the RSP have been updated throughout the life of the RSP. The most recent amendment to the rules and regulations of the RSP was in P.U. 4 (2012). Hydro has also applied for amendments to the RSP in Section 4: Rates and Regulation 4.6.1.

**Note 2:** The current methodology approved in P.U. 40 (2003); however, it is noted that only 25% of the hydraulic provision is assigned annually to each customer class for recovery or repayment.

**Note 3:** Hydro's energy conservation program costs were approved to be deferred in Board Order No. P.U. 14 (2009), P.U.13 (2010), P.U. 4 (2011) and P.U.3 (2012). In P.U. 21 (2013) the Board ordered that 2013 costs should be considered as part of the 2013 test year requirements. In Section 4: Rates and Regulation, 4.7.3(i) of the 2013 GRA Application, Hydro re-applied for the deferral of 2013 program costs.