Q. **Reference: Volume 1, page 5.16**

Hydro provides (page 5.16) a description of its proposals with respect to the Business Systems Transformation Program Deferral Account, including an additional $7.8 million of forecast deferred costs to December 31, 2026 and a proposed amortization period of eight years spanning two regulatory review cycles, with $1.8 million of amortization proposed for the 2027 Test Year.

a) Provide a breakdown of the additional $7.8 million of forecast costs to be deferred to December 31, 2026 and a summary of the business case associated with each component of this additional proposed deferred amount.

b) Provide the average expected useful life of the Business Systems Transformation Program expenditures.

c) Explain why the proposed amortization period is based on the timeframe of two regulatory review cycles (eight years) and not the underlying useful live of the associated intangible assets.

A. **a)** The Board of Commissioners of Public Utilities ("Board") approved the recovery of the $7.8 million in costs in the Business System Transformation Program Deferral Account through customer rates to be established in Newfoundland and Labrador Hydro's ("Hydro") 2026 General Rate Application in Order No. P.U. 18(2026).

b) Please refer to Hydro's response to NP-NLH-080 of this proceeding.

c) Please refer to Hydro's response to NP-NLH-080 of this proceeding.