Q. **Reference: Volume 1, page 5.21**

Hydro provides (page 5.21) a description of its proposals with respect to the GRA Hearing Cost Deferral Account, with a cost estimate of $1.5 million in external regulatory costs, a proposed amortization period of four years spanning one regulatory review cycle, with $0.4 million of amortization proposed for the 2027 Test Year. Provide a breakdown of the $1.5 million of forecast external regulatory costs related to the 2027 Test Year regulatory process.

A. The $1.5 million forecast external regulatory costs associated with Newfoundland and Labrador Hydro's ("Hydro") General Rate Application ("GRA") hearing included in the 2027 Test Year is an estimate of costs to be incurred by the Board of Commissioners of Public Utilities ("Board") which are then recovered from Hydro. Types of costs include those associated with any external experts, consultants or legal counsel hired by the Board to facilitate its review of Hydro's 2026 GRA, in addition to costs charged to the Board by the Consumer Advocate, which are subsequently recovered from Hydro. The estimate is primarily based on historical costs for which there is no detailed breakdown available. In the 2017 GRA, Hydro was approved to defer $1.2 million given the complexity of the hearing, and Hydro was ordered to pay $1.8 million of Board and intervenor costs. Hydro determined that $1.5 million was an appropriate forecast given the complexity of the 2026 GRA, the historical costs that Hydro was ordered to pay and recognition of inflation since the 2017 GRA.