

1 Q. **Reference: CA-NLH-021; Application, Volume I, Application paragraph 10 and Chapter 6,**
2 **footnote 34)**

3 Please provide (i) the approved amortization period and applicable order for the CDM Cost
4 Deferral Account; (ii) the estimated remaining useful lives of the programs or measures
5 represented by the account balance at December 31, 2027, including the weighting method
6 used to calculate any average; and (iii) a comparison of 2027 amortization under the approved
7 method and a method based on useful lives, using the same opening balance, additions and
8 recovery-start assumptions and explaining how the useful-life estimates are applied.

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11 A. The Board of Commissioners of Public Utilities ("Board") approved Newfoundland and Labrador
12 Hydro's ("Hydro") Conservation and Demand Management ("CDM") Deferral Account in Order
13 No. P.U. 22(2017). As noted in item 10 of Hydro's 2026 General Rate Application legal
14 application:

15 In Order No. P.U. 37(2022), the Board approved the deferral of CDM costs
16 incurred for customers on the Labrador Interconnected System in the CDM Cost
17 Deferral Account, including a portion of the Rural Deficit allocation related to
18 CDM investments for Hydro Rural customers, and to increase the amortization
19 period of annual CDM costs from seven to ten years effective as of January 1,
20 2023 for both historical balances and annual charges.

21 The amortization of the CDM deferral account proposed within the 2027 Test Year is consistent
22 with the approved account definition as per Board Order Nos. P.U. 22(2017) and P.U. 37(2022).

23 For further information on Hydro's CDM programming, please refer to Hydro's 2025 CDM
24 report, available on the Board's website at the following link: [Electrification, Conservation and](#)
25 [Demand Management Report](#).