

1   Q.    On page 26, lines 16 to 17 of Mr. Wells' Pre-filed Evidence, he indicates that  
2           high-cost diesel systems have been targeted for conservation initiatives.  
3           Please provide details of this initiative, including results to date.

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6   A.    Diesel Systems are assessed on a regular basis and are targeted for  
7           conservation initiatives where it is considered to make economic sense if the  
8           short run marginal cost is greater than marginal revenue and the difference  
9           between the two is sufficient to fund the DSM initiative. The last initiative was  
10          undertaken in the fall of 2001. All customers in Norman Bay, Williams  
11          Harbour, and Francois were provided with Compact Fluorescent Light (CFL)  
12          Bulbs and, where applicable, electric hot water pipe insulation.

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14          The purpose of the targeted CFL conservation initiative in the high-cost  
15          diesel systems is to reduce financial loss. The introduction of the product to  
16          the consumer also creates awareness about using electricity wisely.  
17          Continuing this awareness will be part of Hydro's HYDROWISE program  
18          (More information on the HYDROWISE Program can be found in CA-20  
19          NLH.)