| 1 | Q. | With respect to Demand Side Management co | sts, how are these costs | |
|----|----|--|------------------------------|--|
| 2 | | treated in the Cost of Service Study? Please provide a schedule that shows | | |
| 3 | | the total DSM related costs allocated to each o | customer. | |
| 4 | | | | |
| 5 | | | | |
| 6 | Α. | Hydro regards costs incurred to influence cust | omer electricity consumption | |
| 7 | | as demand side management costs. The following costs are included in | | |
| 8 | | Hydro's 2007 Test Year Cost of Service study: | | |
| 9 | | | | |
| 10 | | Energy Conservation Program | \$500,000 | |
| 11 | | Hydrowise | \$100,000 | |
| 12 | | | | |
| 13 | | Customer allocations are shown below. | | |
| 14 | | | | |

| | Island Interconnected | lsolated Rural | Labrador Interconnected | Total |
|--------------------|--------------------------|-------------------|----------------------------|---------|
| Customer: | | | | |
| Newfoundland Power | 410,801 | 0 | 0 | 410,801 |
| Industrial | 48,548 | 0 | 1,819 | 50,367 |
| Rural | 95,972 | 12,906 | 29,954 | 138,832 |
| Total | 555,321 | 12,906 | 31,773 | 600,000 |