

**Q. What offsetting savings are incorporated in the 2010 revenue requirement as a result of NP investment in demand management and energy efficiency?**

A. The primary offsetting savings incorporated in the 2010 revenue requirement as a result of demand management and energy efficiency relate to the Curtailable Service Option and increased customer energy conservation programming.

The 2010 revenue requirement includes the impact on purchased power costs of the Curtailable Service Option. These savings total \$408,000. Please refer to the response to Request for Information CA-NP-188 for further details.

The 2010 revenue requirement includes the impact on purchased power costs of savings related to increased customer energy conservation programs being implemented in 2009. These savings total \$342,060. Please refer to the response to Request for Information CA-NP-182 for further details.