

1 Q. Re: IN-NLH-019

2 "Export sales are not a regulated activity, so the CDM costs associated with
3 obtaining this additional export power are also considered unregulated. There
4 were no such costs for 2006 to 2009."

5 Please:

- 6 • Indicate whether and, if so, when and where the Board has concurred
7 with this interpretation of its jurisdiction with respect to CDM programs for
8 customers of the Labrador Interconnected System;
- 9 • Explain the dramatic increase in Labrador Interconnected CDM
10 Expenditures seen in 2013; and
- 11 • Indicate how Hydro's decision-making process with respect to Labrador
12 Interconnected CDM Expenditures takes customer benefits into account.

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15 A. As the costs do not impact the regulated revenue requirement, Hydro has not
16 sought the Board's concurrence.

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18 The increases shown in the 2013 forecast for the Labrador Interconnected System
19 are a result of new program offerings and anticipated program activity levels. The
20 Heat Recovery Ventilator and Business Efficiency programs were launched in 2013.
21 The Block Heater Timer program activity launched in 2012 was expected to see
22 significant activity, and additional funds were allocated to the Industrial Energy
23 Efficiency Program. The actual expenditures of \$97,830 for 2013, however, is
24 comparable with previous year's activities. The variance between forecast and
25 actual expenditures was due to lower than expected participation in the Block
26 Heater Timer and Industrial programs.

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28 The process for forecasting CDM costs is outlined in response to IN-NLH-039. The

- 1 purpose of CDM is to provide a cost-effective alternative to electricity generation.
- 2 The benefits to customers in the form of estimated energy and utility bill savings
- 3 are considered at the program planning stage for all programs.