

1 Q. CDM

2 Re: Exhibit 7, p. 4, lines 23-25

3 Citation:

4 In accordance with Board Order P.U. 7(2008), Hydro and Newfoundland
5 Power will undertake energy conservation initiatives. All expenses
6 associated with this activity in Labrador West are captured in BU 1949 and
7 are excluded from the determination of regulated income.

8 Please:

- 9 • provide a precise citation to the passage in Board Order P.U. 7(2008) to
10 which reference is made, and
11 • explain why only the expenses associated with Conservation Demand
12 Management in Labrador West are captured in BU 1949 and are excluded
13 from the determination of regulated income. Are such expenses in Labrador
14 East and in the Labrador Isolated systems regulated expenses?
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17 A. Please note that Exhibit 7, page 4, line 23 makes reference to Board Order P.U.
18 7(2008) in error. This is a typographical error and the correct reference should be
19 to Board Order P.U. 8(2007). This error also appears in Exhibit 7 of the original
20 2013 GRA filed in July 2013. In reference to Board Order P.U. 8(2007), page 58, it is
21 stated that:

22
23 The issue of energy conservation has been a recurring theme before the
24 Board in prior hearings and the Board commends both Hydro and NP for
25 their joint initiative in this area. ... However, in light of the prospective and
26 joint initiative being funded by both utilities, the Board finds that it would be
27 prudent and practical to await the results of the CDM study.

Also, on pages 58 and 67, Board Decision No. 22 states:

Energy Conservation Initiatives

Hydro will be required to file, no later than June 30, 2008, a report outlining its five-year strategic plan with respect to energy conservation initiatives, which should include a description, timing and cost of the program elements to be implemented by Hydro and a copy of the CDM Potential Study.

Please refer to Hydro's response to IN-NLH-009, Attachments 1 and 5 for copies of the Five-Year Plan and CDM Potential Study that was filed in response to this Board Decision.

Please refer to Hydro's response to IN-NLH-019 for the explanation of why CDM expenses are captured in BU 1949 and excluded from regulated income. Please refer to Hydro's response to IN-NLH-020 for the explanation of CDM expenses for Labrador East. Each of these responses inform that the CDM expenses for all of the Labrador Interconnected System, which includes Labrador East and Labrador West, are captured in BU 1949 as non-regulated costs. The CDM expenses for Labrador Isolated Systems are regulated expenses.