

1 Q. Re: Wilson Pre-Filed Testimony, page 34. Dr. Wilson indicates Hydro's
2 CDM costs should be allocated \$205,000 per year to industrials, rather than
3 the \$28,000 per year proposed by Hydro.
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5 Please indicate if Dr. Wilson has reviewed Hydro's CDM
6 Report 2013, filed as part of the Annual Return circulated
7 April 25, 2014, Table 8 page 12, which indicates that life to
8 date fuel cost savings from CDM total \$1.043 million per year,
9 of which \$562 million is for isolated systems and only \$480,000
10 per year is for the interconnected system. As industrials make
11 up 5.7% of energy consumed on the interconnected system,
12 this would equate to \$27,000 in fuel cost benefits to industrial
13 customers. How does Dr. Wilson reconcile a cost to industrials
14 of \$205,000 per year to pay for programming that yields only
15 \$27,000 in fuel cost benefits?
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18 A. Dr. Wilson has not seen the referenced Report. However, the issue here is whether
19 NP retail customers, who pay for NP's own CDM programs, should also pay for
20 Hydro's CDM programs when hydro's retail customers do not pay for any of
21 NP's CDM costs. Further, while the 5.7% figure clearly includes both IC and NP
22 loads, it is not clear whether the \$480,000 amount includes both IC and NP CDM
23 cost savings. (Note also that the \$562 million figure in the question should be
24 \$562 thousand.)
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26 Also, note the apparent contradiction between the argument in this question and
27 the claim in IC-PUB-012 that the same Report "indicates that life to date energy
28 savings from CDM total 7,287 MW.h, of which 2,769 MW.h is isolated and 4,518
29 MW.h is interconnected, and further that of the 4,518 MW.h of interconnected
30 load savings, a full 3,337 MW.h is industrial CDM."