

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."