

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 revenue requirement, Hydro has not sought the
16 Board’s concurrence.

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18 Increases to the 2013 forecast for the Labrador Interconnected System are a result
19 of new program offerings and anticipated program activity levels. The Heat
20 Recovery Ventilator and Business Efficiency programs were launched in 2013. The
21 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.

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25 The process for forecasting CDM costs is outlined in response to IN-NLH-039. The
26 purpose of CDM is to provide a cost-effective alternative to electricity generation.
27 The benefits to customers in the form of estimated energy and utility bill savings
28 are considered at the program planning stage for all programs.