

Q. [page 5-9, lines 14-16] Please file copies of all reports documenting study results and progress to date relating to the optional seasonal rate for Domestic customers and the time-of-day rate study.

A. Newfoundland Power has not prepared any formal report related to the results and progress of either the Domestic Seasonal – Optional rate (“Optional Seasonal Rate”) or the Time of Day Rate Pilot (“TOD Rate Study”). A status summary for the Optional Seasonal Rate, and the TOD Rate Study follows.

Optional Seasonal Rate

The Optional Seasonal Rate became available to customers effective July 1, 2011. There are currently 1,835 customers on the Optional Seasonal Rate.¹

Customer communications on the Optional Seasonal Rate have included information in the *Power Connections* newsletter, messages on the monthly bill, rate information on the Company website and letters promoting the rate option to customers that Newfoundland Power has determined have potential for material savings on the Optional Seasonal Rate.²

The Company website provides a cost calculator that will apply the Optional Seasonal Rate to individual customers’ usage history, enabling customers to assess whether the rate option may benefit them. Customers can enroll in the Optional Seasonal Rate either online or via telephone.

Table 1 outlines a summary of billing impacts for current Optional Seasonal Rate customers that have been on the rate since October 2011.

Table 1
Summary Statistics Optional Seasonal Rate

Customers	1,583
Customers Achieving Savings	1,546
% Achieving Savings	98%
Customers with Increased Charges	37
% with Increased Charges	2%
Maximum Savings	\$358
Maximum Annual Increase	\$111
Median Savings	\$32
Median Savings % *	2.9%

* Relative to standard Domestic rate.

¹ This includes 1,636 customers that were billed on the Optional Seasonal Rate in September 2012 and a further 199 customers that have requested to be billed on the Optional Seasonal Rate for their next billing period.

² All customers who would potentially receive annual savings of more than 2% or \$20 were notified in a previous month’s bill of their potential savings.

1 It is not yet possible to determine whether participation in the Optional Seasonal Rate has
2 impacted customer energy usage. Analysis of the impact of the Optional Seasonal Rate
3 on energy usage will require several years of data.
4

5 **TOD Rate Study**

6 *Study Design*

7 *Domestic*

8 Information packages were sent electronically to approximately 3,000 Domestic
9 customers to invite them to participate in the TOD Rate Study.³ Interested participants
10 completed an on-line questionnaire to provide their demographic and home
11 characteristics for the Company to use in selecting study participants and a control group.
12
13

14 The study was designed to have the voluntary participation of 120 Domestic customers.
15 Participants were stratified into the following three subgroups: (i) electric heating only;
16 (ii) electric heating plus supplementary fuel; and (iii) heating source other than electric.
17 One-third of the TOD Rate Study participants come from each of the 3 study areas: St.
18 John's/ Mount Pearl, Gander/Grand Falls and Corner Brook/Stephenville.
19

20 A control group of 120 customers with similar characteristics and seasonal usage patterns
21 as the participant group was selected for load shape comparison to the participant group,
22 with the same stratifications applied to the control group as the participant group.
23

24 *General Service 1000 kVA and Over ("Rate 2.4")*

25 Participation was offered to all Rate 2.4 customers who are normally in operation during
26 the winter season.⁴ Communication with those customers included email, telephone and
27 customer visits. Four Rate 2.4 customers agreed to participate in the TOD Rate Study.
28

29 *Challenges*

30 The primary challenges observed during the course of the TOD Rate Study so far are
31 summarized below.
32

33 *Loss of Participants*

34 Thirteen of the customers on the Domestic TOD rate and four customers in the control
35 group have discontinued participation. The main reason for withdrawing from the TOD
36 Rate Study appears to be a move to a new residence (11 of 13). Two participants elected
37 to discontinue due to experiencing higher bills in the colder and more costly winter
38 season.
39

40 *Meter Reading*

41 Meters with load recording capability were installed on the services of the customers in
42 both the participant group and the control group. For the Domestic class, a handheld

³ In order to identify participants with whom the Company could correspond electronically, thereby keeping study costs low, information was provided to customers who reside on meter reading routes that are accessible year-round, and who either receive their bills via *eBills* or who have accessed the Company's website.

⁴ Forty-five Rate 2.4 customers operate year-round.

probe device must attach to the meter to download the reading. Inaccessible meters, particularly as a result of deep snow, have been a bigger problem than anticipated.

Annual Review

The TOD rate was effective December 1, 2011 and will apply to study participants until November 2012. All participants were guaranteed that their annual billings would not increase as a result of their participation in the TOD Rate Study. For each study participant, the Company will conduct a bill review prior to the December billing to determine if additional charges were incurred over the 12-month study period. All customers will be informed of the result of their billing review; and any customer who incurred higher charges as a result of their participation in the TOD Rate Study will receive an offsetting credit on their December bill.

Billing Impacts

While the annual reviews cannot be completed until November bills have been issued, the Company has estimated annual impacts by using study participants' energy usage for last October and November as a proxy for the same period this year.

Table 2 provides a summary of the projected results of the annual review for Domestic participants in the TOD Rate Study for the period December 2011 to November 2012.

Table 2
TOD Rate Projected Summary Statistics – Domestic

Participants on TOD Rates	107
Maximum Projected Savings(\$)	117
Maximum Projected Costs(\$)	79
Median Projected Savings (\$)	30
Median Projected Savings (%) [*]	1.8%
Participants Projected to Achieve Savings	96
% Participants Projected to Achieve Savings	90%
Participants Projected to Pay More	11
% Participants Projected to Pay More	10%

^{*} Relative to standard Domestic rate.

Table 2 indicates that approximately 90% of the Domestic participants are projected to save in the first year of the TOD Rate Study.

Table 3 provides a breakdown by heating source of the study participants who are projected to achieve savings as a result of their participation in the TOD Rate Study.

Table 3
Domestic Summary by Heating Source

	All Electric	Electric plus Supplementary	Non Electric Heat
Total Customers	35	34	38
Achieved Savings	27	32	37
	77%	94%	97%

Table 3 indicates that customers who do not use electricity as their primary space heating source projected to have more success in achieving savings under the TOD rate.

Table 4 provides a summary of the projected savings for Rate 2.4 participants in the TOD Rate Study.

Table 4
TOD Rate Projected Summary Statistics – Rate 2.4

Number of Customers	4
Maximum Projected Savings	\$24,064
Minimum Projected Savings	\$5,827
Average Projected Savings (\$)	\$15,305
Average Projected Savings (%) *	3.3%

* Relative to standard Rate 2.4 charges.

Table 4 indicates that all four of the Rate 2.4 participants are projected to save in the first year of the TOD Rate Study.

Impact of TOD Rates on Energy Usage

The Company has not yet completed an analysis of whether participation in the TOD Rate Study has resulted in either a shift in energy usage from the on-peak to the off-peak period or a reduction in energy usage. An analysis will be completed at the end of the TOD Rate Study.

Projected savings for a high percentage of customers in the first year of the TOD Rate Study is positive. However, no definitive conclusion can yet be made regarding the impact of the TOD rate on participants' energy usage.