

1 **NP-CA-89**

2 **Reference: Page 10, Lines 9-13**

3 **Q. Provide the excerpt from Order No. P.U. 14 (2004) that provides the**  
4 **direction to *reduce monthly energy use*.**

5

6 A. The Board stated at page 9 of Order No. P.U. 44(2004):

7 *The Board continues to be of the view that a proper price signal, reflecting*  
8 *100% of the demand costs, is imperative as an incentive to NP and its*  
9 *customers to engage in load management practices.*

10 This sentence is included in the quote at page 7, line 27 to page 8, line 7 of Mr.  
11 Todd's evidence.

12 "Load management practices" encompass reductions in energy use as well as  
13 reductions in demand.

14 The section of Mr. Todd's evidence reference in the question (page 10, lines 9-  
15 13) states that

16 *Introducing these mechanisms has the effect of reducing NP's incentive to*  
17 *pursue programs that reduce billing demand (in the case of the Demand*  
18 *Management Incentive) and completely eliminate the incentive to reduce*  
19 *monthly energy use. These changes would therefore run directly against the*  
20 *direction established by Order No. P.U. 14(2004).*

21 This statement does not suggest that the Board provided "the direction to reduce  
22 monthly energy use", it simply stated that the Board's intent appears to be to  
23 maintain "a proper price signal ... as an incentive to NP and its customers to  
24 engage in load management practices."