

1 Q. **NLH Evidence, Section 2.5, page 2.15**

2 Preamble:

3 Table 2-6 shows Hydro Energy Conservation Program Costs remaining stable for
 4 2017F, 2018F and 2019F. Table 2-5 shows Hydro Energy Conservation Program
 5 Savings dropping in the commercial sector in 2018F and 2019F, and dropping
 6 dramatically in 2019F for the residential sector.

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8 Please:

- 9 a) complete Tables 2-5 and 2-6 by providing year-by-year savings and costs for
 10 the Hydro Energy Conservation Program through 2009 through 2016, and
 11 b) explain why forecast energy savings are forecast to fall so significantly,
 12 especially in the residential sector, despite constant funding.

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14 A. a) Please refer to Table 2-5 and 2-6.

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Table 2-5 Hydro Energy Conservation Program energy Savings (MWh)

	2009	2010	2011	2012	2013	2014	2015	2016	Total
Residential	57	262	751	2,247	2,302	1,776	1,744	823	9,962
Commercial	3	10	227	98	126	297	988	976	2,725
Industrial			165	3,172		22,258		177	25,772
Total	60	272	1,143	5,517	2,428	24,331	2,732	1,976	38,459

Table 2-6 Hydro Energy Conservation Program Costs (\$000s)

	2009	2010	2011	2012	2013	2014	2015	2016	Total
Residential	97	267	386	1,179	1,268	1,047	929	982	6,155
Commercial	13	12	59	113	189	212	177	250	1,025
Industrial	57	221	103	173	89	1,244	(102)	28	1,813
Total	167	500	548	1,465	1,546	2,503	1,004	1,260	8,993

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17 The Industrial program shows a credit in 2015 due to an overstated accrual in 2014.

1 b) The forecast energy savings shown in Table 2-5 fall significantly as the result
2 of two matters. First, an omission was discovered in the Program Energy
3 Savings for the Commercial sector in 2018 Forecast and 2019 Forecast,
4 resulting in commercial energy savings being understated by 234 MWh and
5 246 MWh, respectively.¹ Second, the drop in Residential energy savings in
6 2019 Forecast is due to the Isolated Systems Community Program not yet
7 being forecast for that year as Hydro is continuing its planning for energy
8 savings opportunities it will pursue in its isolated communities in 2019. For
9 cost budgeting purposes, the 2019 Forecast residential program costs were
10 held consistent with 2018 Forecast as it is expected that the program cost
11 for the Isolated Systems Community Program will be similar in magnitude to
12 2017 Forecast and 2018 Forecast, and the energy saving target remains to
13 be finalized.

¹ The correct values have been reflected in this response and in Hydro's 2017 General Rate Application, Revision 2, filed with the Board on October 16, 2017.