

British Columbia Utilities Commission Information Request No. 1.2.3 Dated: April 13, 2005 British Columbia Hydro & Power Authority Response issued April 29, 2005	Page 1
British Columbia Hydro & Power Authority 2005 Resource Expenditure and Acquisition Plan ("REAP")	

- 2.0 Reference: 2005 REAP, p. 1-4, Table 1-2, and 2004 REAP, Table 1, p.2; Tab 4, p. 4-18 Table 4-5

The DSM expenditures in the 2004 REAP for F2006 are \$97.4 million. The change between the 2004 REAP and the 2005 REAP is +\$30.1 million. The REAP states that the increase in expenditures from the 2004 REAP is primarily attributable to a shift in the timing of the Canfor load displacement project from F2005 into F2006. The energy efficiency electricity savings are also higher than indicated in the 2004 REAP.

- 1.2.3 In the RRA proceeding, it was revealed that the difference between actual and forecast DSM expenditures in F2004 is approximately \$54 million (RRA Decision pp. 198-201). Is this high degree of uncertainty in forecasting program costs carried over to the current REAP? Please explain.

RESPONSE:

Actual DSM capital expenditures in F2004 were 54% of planned expenditures in the 2004 RRA, while actual DSM capital expenditures in F2005 were 73% of planned expenditures in the 2005 REAP (Appendix A Table 5 and Appendix C Table 1). Actual DSM capital expenditures in F2005 are presented in the response to BCUC IR 1.2.4.4.

The historic differences between planned and actual DSM capital expenditures result from uncertainty concerning the utility cost of DSM electricity savings and unforeseen circumstances that delay the launch of DSM programs or the commissioning of customer energy efficiency projects.

The uncertainty in forecasting program costs should be reduced as the programs mature.