

**IN THE MATTER OF** the *Electrical Power Control Act, 1994* (the “EPCA”) and the *Public Utilities Act, R.S.N. 1990, Chapter P-47* (the “Act”) and their subordinate regulations; and

**IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro (“Hydro”) for approvals of: (1) Under Section 70 of the Act, changes in the rates to be charged for the Supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the Act, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the Act, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the Act, its 2002 Capital Budget.

## **RESPONSES TO CA 162, CA 163 AND CA 164**

**POOLE, ALTHOUSE,  
THOMPSON & THOMAS**  
Western Trust Building  
49-51 Park Street  
Corner Brook, NF  
A2H 6H7  
Telephone No. (709) 634-3136  
Fax No. (709) 634-8247  
Solicitors for the  
Industrial Customers

**STEWART MCKELVEY  
STIRLING SCALES**  
Cabot Place  
100 New Gower Street  
St. John’s, NF  
A1C 5V3  
Telephone No. (709) 722-4270  
Fax No. (709) 722-4565  
Solicitors for the  
Industrial Customers

- Q. Would Industrial Customers benefit from time-of-day/seasonal rates?
- A. Pulp and paper mills can benefit from time of day rates where the price incentives are sufficient to justify necessary investment in pulp storage facilities and to justify changes in production practices. Seasonal rates may in certain circumstances be of benefit to customers with their own generation by adding further options for management of water levels.

- Q. Would Industrial Customers benefit from additional rate options such as more flexible and tailored interruptible tariffs, real-time pricing, etc.? Have the Industrial Customers approached Hydro staff concerning a need for more innovated right options?
- A. More flexible and tailored interruptible tariffs, real-time pricing and other rate options would be of benefit to Industrial Customers. The limited interruptible options available now have been of value to the Customers and an expanded menu of rates could provide the opportunity to manage their businesses to take advantage of reduced energy costs. Various of the Industrial Customers have approached Hydro on a number of occasions, often in conjunction with other contract discussions, on the subject of additional rate options.

- Q. Provide Industrial Customer plans with regard to demand and generation for the years 2002 through 2006 and explain how the Industrial Customer generation plans are co-ordinated with Hydro's least cost planning efforts.
- A. CBPP and ACI Grand Falls provide 5 year forecasts of purchased power requirements to Hydro twice a year. Attached as Exhibits A and B are the latest submissions which include forecasts of these customer's generation over the same period. These forecasts are the subject of discussions between Hydro and the customer as required and new generation initiatives, if any, are discussed on an ad hoc basis when the issue arises.

ACI Stephenville has no generation. Forecast Demand and Energy are as follows:

	Demand (mw)	Energy (gwh)
2002	69.0	557.0
2003	69.0	557.2
2004	69.5	566.1
2005	70.0	572.2
2006	71.0	575.0

NARL has provided forecasts to Hydro but is no longer in possession of the specific information provided. No significant changes in proposed utilization are forecast by NARL.