

1 Q. For Hydro's Interruptible Service, explain the following:

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3 (a) The billing methodology for firm and interruptible power and energy

4 (b) The terms of interruption

5 (c) The analysis supporting the cost of Interruptible Service versus the
6 value to consumers

7 (d) Provide a comparison of Hydro's and Newfoundland Power's
8 interruptible rate options, explaining the philosophy behind each, and
9 reconciling all differences.

10 (e) Explain why Interruptible Service is offer (*sic.*) to Industrial Customers
11 but not Newfoundland Power.

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14 A. (a) The "Interruptible Service" which is the non-firm Interruptible Power
15 and Energy in the industrial contracts, is provided to all industrial
16 customers to permit them to take power and energy above their firm
17 load. It is billed based on a demand and an energy charge. The
18 billing demand is the maximum demand measured in excess of the
19 Power On Order (firm load) during the month. The Interruptible
20 Energy is all energy taken by the customer associated with the
21 demand in excess of the Power On Order.

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23 These quantities are determined using metering equipment that
24 measures and stores the energy use of the customer in fifteen minute
25 intervals. The stored data is retrieved via modem and processed via
26 spreadsheets to determine the separation between firm and non-firm
27 (Interruptible) power and energy.

- 1 (b) The need for interruptions to the Interruptible portion of the customer's
2 load is determined and notice given by Hydro's Energy Control Centre
3 staff. Once a customer is provided notice it is expected to
4 immediately reduce to its firm load level. There are no restrictions in
5 duration or notice period for these interruptions.
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- 7 (c) The demand charge, energy charge and administration surcharge
8 components of the proposed Industrial - Non-Firm rate that applies to
9 "Interruptible Service" are outlined in CA-72, NP-183 and IC-44. There
10 is value in such sales for consumers other than the Industrial
11 Customers in that the revenue from such sales in excess of the costs
12 is credited to all firm service rate classes through the COS study.
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- 14 (d) Hydro's "Interruptible Service" is of a different nature than
15 Newfoundland Power's Curtailable Service Option. Hydro is selling
16 additional energy otherwise referred to as non-firm energy whereas
17 Newfoundland Power is purchasing capacity from customers. The
18 difference in rate structure reflects this difference in intent.
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- 20 (e) "Interruptible Service" has not been offered to Newfoundland Power
21 as there is no method of measuring reduction in load initiated by
22 Newfoundland Power. They have an energy only rate and there is no
23 reference load level to indicate the difference between firm and non-
24 firm sales.