

1 Q. Industrial Contracts - Schedule "C"

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3 1. Article 2.02 - how is the maximum "amount of power on order"  
4 determined? Has this changed from previous years? If so, how?

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6 2. Interruptible "B" - how may all ICs participate in this program?

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8 3. Non-firm energy - what is the rationale for a 10% surcharge, i.e.,  
9 component C?

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12 A. 1. A limit on the amount of power on order is required to permit Hydro  
13 time to build necessary additions to its transmission and terminal  
14 equipment or add generating capacity to the system to reliably supply  
15 the load.

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17 The maximum amount of power on order was determined by first  
18 analyzing the capability of the transmission and terminal equipment  
19 supplying the customer. It was then decided to make the maximum  
20 "amount of power on order" the lesser of approximately 20 MW above  
21 the current power on order, and the capability of the equipment  
22 supplying the customer, rounded to the nearest 5 MW increment.

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24 Please refer to the following table for determination of each  
25 customer's Maximum Amount of Power on Order:

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<b>Customer</b>	<b>Capability</b>	<b>Current Power on Order</b>	<b>Power on Order +20 MW</b>	<b>Maximum Amount of Power on Order</b>
North Atlantic Refining Ltd. <sup>1</sup>	50 MVA (45 MW)	30 MW	50 MW	45 MW
Abitibi Consolidated Inc. (Grand Falls)	100 MVA (95 MW)	22 MW	42 MW	40 MW
Abitibi Consolidated Inc. (Stephenville)	156 MVA (148 MW)	70 MW	90 MW	90 MW
Corner Brook Pulp & Paper <sup>2</sup>	75 MW	51 MW	71 MW	70 MW

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Notes: 1. North Atlantic Refining Ltd. does not currently have a Power On Order Contract, but has a maximum demand of approximately 30 MW.

2. Corner Brook Pulp and Paper shares transformers with Newfoundland Power and therefore the capability is common and 75 MW was estimated.

In previous years the maximum amount of power on order was determined through contract negotiations. This change is occurring now as this is the first time all contracts have changed at the one time.

2. There are two possible means whereby it would be possible for all IC's to have the opportunity to participate in this program. Hydro could access interruptible demand when a requirement arises through a request for proposals process or alternatively Hydro could include the provision in a special non-firm (curtailable) load service. Hydro has not made any decisions on proceeding with either of these options.

1           3.     The 10% surcharge is applied to recover the following:

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3           a)     an allowance for incidental operating costs of staff and facilities  
4                 involved in dealing with the request and subsequent processing  
5                 of the associated bill;

6           b)     an allowance for non-fuel items such as lube oil and fuel  
7                 additives and;

8           c)     an allowance for profit.

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10           All Hydro Industrial rates, both firm and non-firm, have historically  
11           included such allowances.