1   Q.   Response to Request for Information NP-157 shows that the peak month for

2   each of 1998, 1999 and 2000 was December. In 1997, NP-157 indicates

3   that the peak month was March. Response to Request for Information NP-

4   121 indicates that Hydro has forecast peaks in 2001 and 2002 to be the

5   same for December and January, both slightly higher than February. With

6   this information, why has Hydro concluded that the allocation of generation

7   demand costs should be based on the CP's of the two peak months (with the

8   two peak months being January and February).

9

10

11   A.   The peaks referred to in the response to NP-157 are Hydro's system peaks

12   rather than the Total Island Interconnected System peaks that are the basis

13   for LOLH calculations.

14

15   The conclusion that the allocation of generation demand costs should be

16   based on the CP's of the two peak months is based on the analysis

17   presented in the report "An Analysis to Determine The Relationship Between

18   Load Factor And System Reserve Requirement", April 2001 provided in

19   response to NP-135. That analysis concluded that the greatest LOLH

20   contributions are made in the two peak months. These do not necessarily

21   have to be January and February.

22

23   As stated in the report, the load shape used in the analysis is a normalized

24   shape considered to be representative of the Total Island Interconnected

25   System loads. Peak loads for the Total Island Interconnected System

26   typically occur in any of the months December through March with a greater

27   likelihood of occurring in January and February. This is consistent with a

28   system comprised of significant amounts of electric heat.

1   Hydro's forecast peaks in 2001 and 2002 for Newfoundland Power as

2   presented in NP-121 are the same for December and January. This reflects

3   the same relationship between the January and December peak demand

4   purchases as forecast by Newfoundland Power in its Energy Supply Forecast

5   to Hydro which, in part, forms the basis for Hydro's short term load forecasts.