

1 Q. On page 4, lines 18 to 21 of Mr. Banfield's Pre-filed Evidence, he indicates
2 that the rate for non-firm service will be unchanged from the current rate of
3 \$1.50/kW/month.

4 (a) What is the basis for this rate?

5 (b) Please provide a table showing the customers taking this rate and the
6 interruptions, including date, demand interrupted and duration, in each
7 of the past five years.

8

9

10 A. (a) The demand charge portion of the Industrial Non-firm Rate is not a
11 specifically calculated, cost-based charge. Rather, it is a charge to
12 reflect some value of the assets in place to provide the non-firm
13 service.

14

15 (b) All industrial customers currently use this rate. Prior to September
16 2002 when the new industrial contracts came into effect this rate did
17 not exist. The old industrial contracts had different rates for
18 Interruptible Power and Emergency Power that were used for similar
19 service to the Interruptible Demand and Generation Power of the new
20 contracts that use Non-firm Rates. Prior to the new contract coming
21 into effect North Atlantic Refining did not use non-firm service.

22

23 There have been no incidents in the past five years where customers
24 were required to interrupt this non-firm service. However, there may
25 have been occasions when the customer opted to interrupt their load
26 to avoid the higher gas turbine rates when it was necessary for Hydro
27 to operate gas turbines to supply non-firm service. A record of these
28 occasions is not available.