

1 **Q. Does Newfoundland Power offer an interruptible load program? If so, please**
2 **provide the rate paid per MW, the terms and conditions of the offering, the total**
3 **number of customers participating, and the total number of MW participating.**
4 **Also, please provide a copy of the rate schedule or contract used by NP for any**
5 **interruptible rate offering.**

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7 A. The terms and conditions of the Curtailable Service Option available to qualifying
8 customers of Newfoundland Power are provided as Attachment A.

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10 Nine customers participated in the Newfoundland Power's Curtailable Service Option
11 during the 2002-2003 winter season. The Curtailable Service Option provides the
12 Company with 5 to 6 MW of potential curtailable load. The actual level of curtailable
13 load realized depends on both the success of the customers in curtailing and the
14 coincidence of curtailable customers' peak energy usage with the time of the curtailment
15 request.

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17 The Company generally requests curtailment when its load requirements reach
18 approximately 1,000 MW or greater, at which point Newfoundland Hydro is likely to be
19 near peak load conditions. Curtailment requests are also made on occasions when
20 Newfoundland Hydro requests that the Company reduce its load requirements.

**NEWFOUNDLAND POWER INC.
CURTAILABLE SERVICE OPTION
(for Rates #2.3 and #2.4 only)**

Availability:

For Customers billed on Rate #2.3 or #2.4 that can reduce their demand ("Curtail") by between 300 kW (330 kVA) and 5000 kW (5500 kVA) upon request by the Company during the Winter Peak Period. The Winter Peak Period is between 8 a.m. and 9 p.m. daily during the calendar months of December, January, February and March. The ability of a Customer to Curtail must be demonstrated to the Company's satisfaction prior to the Customer's availing of this rate option.

Credit for Curtailing:

If the Customer Curtails as requested for the duration of a Winter, the Company shall credit to the Customer's account the Curtailment Credit during May billing immediately following that Winter. The Curtailment Credit shall be determined by one of the following options:

Option 1:

The Customer will contract to reduce demand by a specific amount during Curtailment periods (the "Contracted Demand Reduction"). The Curtailment Credit for Option 1 is determined as follows:

$$\text{Curtailment Credit} = \text{Contracted Demand Reduction} \times \$29 \text{ per kVA}$$

Option 2:

The Customer will contract to reduce demand to a Firm Demand level which the Customer's maximum demand must not exceed during a Curtailment period. The Curtailment Credit for Option 2 is determined as follows:

$$\text{Maximum Demand Curtailed} = (\text{Maximum Winter Demand} - \text{Firm Demand})$$

$$\text{Peak Period Load Factor} = \frac{\text{kWh usage during Peak Period}}{(\text{Maximum Demand during Peak Period} \times 1573 \text{ hours})}$$

$$\text{Curtailment Credit} = ((\text{Maximum Demand Curtailed} \times 50\%) + (\text{Maximum Demand Curtailed} \times 50\% \times \text{Peak Period Load Factor})) \times \$29 \text{ per kVA}$$

Limitations on Requests to Curtail:

Curtailment periods will:

1. Not exceed 6 hours duration for any one occurrence.
2. Not be requested to start within 2 hours of the expiration of a prior Curtailment period.
3. Not exceed 100 hours duration in total during a winter period.

The Company shall request the Customer to Curtail at least 1 hour prior to the commencement of the Curtailment period.

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Failure to Curtail:

Failure to Curtail under Option 1 occurs when a Customer does not reduce its demand by the Contracted Demand Reduction for the duration of a Curtailment period. Failure to Curtail under Option 2 occurs when a Customer does not reduce its demand to the Firm Demand level or below for the duration of a Curtailment period.

The Curtailment Credit will be reduced by 50% as a result of the first failure to Curtail during a Winter. For each additional failure to Curtail, the Curtailment Credit will be reduced by a further 25% of the Curtailment Credit. If the Customer fails to Curtail three times during a Winter, the Customer forfeits 100% of the Curtailment Credit and the Customer will no longer be entitled to service under the Curtailable Service Option.

Notwithstanding the previous paragraph, no Curtailment Credit will be provided if the number of failures to Curtail equals the number of Curtailment requests.

Termination/Modification:

The Company requires six months written notice of the Customer's intention to either discontinue Curtailable Service Option or to modify the Contracted Demand Reduction or Firm Demand level.

General:

Services billed on this Service Option will have approved load monitoring equipment installed. For a customer that Curtails by using its own generation in parallel with the Company's electrical system, all Company interconnection guidelines will apply, and the Company has the option of monitoring the output of the Customer's generation. All costs associated with equipment required to monitor the Customer's generation will be charged to the Customer's account.