

1 **Q. Further to the response to NLH-54 NP, please confirm that the theoretical**
2 **maximum 40 GWh that can be shifted into the winter period represents less than**
3 **1% of Newfoundland Power's normalized energy requirement and outline the**
4 **degree to which the utility considers this aspect a major impediment to the**
5 **implementation of a demand energy rate.**

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7 A. The 40 GWh estimated to be the maximum hydraulic production that can be shifted into
8 the winter period does represent less than 1% of Newfoundland Power's normalized
9 energy requirements.

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11 The Sample Rate creates an incentive to Newfoundland Power to increase spill in an
12 effort to minimize its purchase power expense in the short run. The cost of the increased
13 spill would be small in comparison to the overall Island Interconnected System costs.
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15 Newfoundland Power will continue to operate its hydraulic generating facilities in the
16 best interests of the overall system in accordance with Section 3(b)(i) of the *Electrical*
17 *Power Control Act, 1994* which states that all sources and facilities for the production,
18 transmission and distribution of power in the province should be managed and operated
19 in a manner that would result in the most efficient production, transmission and
20 distribution of power.
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22 It is Newfoundland Power's position that the Sample Rate proposed by Hydro should not
23 be implemented for the reasons outlined in Newfoundland Power's Prefiled Evidence,
24 including that it provides an incentive for the management of generation facilities that is
25 contrary to Section 3(b)(i) of the *Electrical Power Control Act*.