

Perry and Henderson

(Re: Chart 3, page 18)

Q. Please confirm that Chart 3 does not include demand for Newfoundland Power domestic customers, and indicate domestic customers approximate share of demand.

A. Chart 3 shows that, for the period from 1993 to 2002, the annual percentage change in billing demands for Newfoundland Power customers served under demand/energy rates exhibited no relationship to the annual percentage change in Newfoundland Power's normalized native peak demand. As Domestic customers are not served under demand/energy rates, the billing demand data does not include the demand requirements of Domestic customers.

The normalized native peak demand data used in the derivation of Chart 3 includes the load requirements of all customers served by Newfoundland Power. Depending on the time of peak and the day of occurrence, Domestic customers may comprise between 65%-75% of Newfoundland Power's peak load requirements.