

Perry and Henderson

Q. Please provide the NP hydraulic generation assumed at the time of NP's native peak in NP's forecast provided to Hydro for the 2004 COS forecast.

A. For purposes of forecasting its peak demand requirements from Hydro, Newfoundland Power assumes its hydraulic generation is operating at its rated capacity less a reserve allowance as provided by Hydro (same as that used for determining Newfoundland Power's Generation Credit). The 2004 forecast included a capacity of 77.5 MW for Newfoundland Power's hydraulic generation. This was based on an 18% reserve allowance set during Hydro's 1992 General Rate Application.

After the 2004 forecast was submitted to Hydro, Hydro informed Newfoundland Power there was a difference between Newfoundland Power's reserve allowance calculation and Hydro's calculation. Applying Hydro's calculation results in an 81.6 MW forecast of Newfoundland Power hydraulic generation at time of Newfoundland Power's native peak (see Hydraulic Capacity Credit provided in Hydro's response to Request for Information IC-306 NLH).