

1 Q. Would Industrial Customers agree that with the existing Power on
2 Order contract requirements, Industrial Customers have the ability to
3 increase their requirements by availing of Interruptible service from
4 Hydro, and also have the ability to reforecast Power on Order annually
5 to decrease their requirements? If not, why?
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7 A. That is not fully correct. Industrial Customers have the ability to vary
8 their demand usage on differing terms depending on whether one is
9 discussing the short-term (i.e. within the year when Power on Order is
10 fixed) or long-term (i.e., covering a span of more than one year, when
11 Power on Order can be modified):
12

13 - **Short-term:** In the short-term, industrial customers can increase
14 their loads above Power on Order only by using interruptible power
15 (i.e., not firm power, no guarantee of availability or price).
16 Industrial customers can decrease their peak usage on their own
17 discretion, but continue to pay demand charges based on the full
18 Power on Order, so no savings from demand charges on these
19 reductions.
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21 - **Longer-term:** Industrial customers can increase their Power on
22 Order at January 1, or at pre-specified times within the calendar
23 year (in each case subject to approval by Hydro) up to a specified
24 maximum per customer (beyond this maximum, Hydro can require
25 "adequate notice" to allow for extensions or additions to its system,
26 where such notice is not specified in the contracts). Industrial
27 customers can decrease their Power on Order at January 1 (not
28 allowed within the calendar year), but may still pay demand
29 charges based on certain percentages of the prior year Power on
30 Order (i.e., may not be able to see the entire rate benefits of
31 decreasing their Power on Order).