

1 Q. Further to CA-132 NLH: Confirm annual earnings to Hydro will be the same
2 under both the energy only rate and the sample demand energy rate only if
3 Newfoundland Power is 100% accurate in its system peak forecast.

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6 A. There can be small variations in demand with respect to the forecast that
7 result in some fluctuations in earnings. The variations can be the result of
8 conservation, load growth or accuracy of the forecast. In moving away from
9 an energy only rate there is some risk, plus or minus. The energy only rate is
10 no longer the standard reference for measurement.