

1 Q. Further to CA-73 NLH: Provide evidence that implementing a demand
2 energy rate will increase system load factor and defer new capacity.

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5 A. Hydro has not undertaken any studies to demonstrate the extent to which
6 implementing a demand and energy rate will increase system load factor or
7 defer new capacity. However, one of the most basic tenets of rate design
8 holds that price signals that are reflective of the bases for cost causation are
9 the most effective from the standpoint of achieving efficiency, conservation
10 and equity.