

1 Q. Further to NP-118 NLH: Could Hydro provide NP a credit for peak load
2 reductions based on the information NP gathers to provide credits to its
3 customers?
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6 A. No, under a demand energy rate structure, NP would reflect load reduction in
7 a lower peak forecast in the next test year. Providing NP a credit for peak
8 load reduction is not seen as being a viable alternative because costs
9 allocated to NP are based on NP's forecast peak load, which is the maximum
10 diversified load of all of its customers rather than the behaviour of a select
11 few. Such a credit would also ignore factors such as load growth.