

1 Q. If all the conditions and requirements listed in PUB-149 NLH were satisfied,
2 please provide Hydro's estimation of a reasonable band of possible forecast
3 variances on billing determinants resulting from the implementation of
4 demand based rates (i.e. $\pm 10\%$). (Reference Section 2, page 3).

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7 A. Since 1996, the difference between Hydro's forecast for NP native peak and
8 the weather adjusted actual has been within a range of plus or minus 5
9 percent. Under the demand and energy rate proposed in response to PUB-
10 150 NLH, monthly billing determinants in 2004 applicable to NP are forecast
11 to be 1,054.4 MW (1,179.2 MW native load less 128.4 MW for NP generation
12 net of reserves). The lower limit is set by the minimum bill provision, which is
13 98 percent of 1,054.4 MW, or 1,033.3 MW, and the upper limit is 105 percent
14 times NP's native load of 1,179.2 MW, less their generation capacity net of
15 reserves of 124.8 MW, or 1,113.4 MW. The possible variation in billing
16 determinants is then -21.1 MW ($1,033.3$ MW $-$ $1,054.4$ MW) and $+59.0$ MW
17 ($1,113.4$ MW $-$ $1,054.4$ MW). These calculations are also contained in the
18 response to PUB-152 NLH.