

1 Q. If the Board were to approve a demand-based rate as described on page 3 of
2 Mr. Banfield's evidence and in PUB 150 NLH, what administrative steps
3 would NLH need to undertake to immediately begin charging the new NP
4 rate? Upon receiving the Board's decision, how long would it take to
5 implement these steps?

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8 A. The following administrative steps would need to be undertaken prior to
9 implementing a demand rate component for Newfoundland Power:

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11 ▪ agreement on the method for determining the demand supplied by
12 Newfoundland Power generation;
13 ▪ agreement on the method for determining demand for points where
14 electronic metering does not exist;
15 ▪ agreement between Newfoundland Power and Hydro regarding a method
16 for weather normalization; and
17 ▪ a review of the Rate Stabilization Plan to ensure that any revision to
18 energy charges is properly reflected.

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20 In addition, there should be a clear understanding by all parties of how the
21 implementation of a demand rate component would work if the rate were not
22 implemented at the beginning of the year.

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24 Subject to the agreement on the method of demand determination referred to
25 above, Hydro believes a two-month timeframe would be adequate to address
26 the above items.