

1 Q. Re. evidence of J. R. Haynes, Page 32, change of system reserve
2 percentage from 16% to 15%: Is this change a result of continued application
3 of the same LOLH target of 2.8 hours/year to the system loads and
4 configuration consistent with 2007 forecasts? If so, please indicate the
5 system reserve percentage applicable to each year of the forecasts in Table
6 4 (page 30) of Haynes' evidence in the event that load characteristics
7 forecast in future years are not consistent with the 15% reserve margin.

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10 A. Yes, the change from 16% to 15% is a result of the continued application of
11 the same LOLH target of 2.8 hours/year to system loads and generation
12 configuration consistent with 2007 forecasts.

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14 The calculation of reserve margin at criteria is a result of the generation
15 planning process and does not influence planning activities. It is used in the
16 rate setting process to allocate credit in test years to Newfoundland Power's
17 generation assets. Since the forecasts in Table 4 (page 30) of Haynes'
18 evidence are designed to provide an indication of the timing of new
19 generation sources without making any judgment as to what that expansion
20 plan may entail, it is not useful to identify required reserve margins for these
21 scenarios.