

1 Q. Cost of Service Evidence, page 17: Please provide further explanation as to
2 what is meant by the second bullet under section 4.2 “Due to their high-load
3 factor and the relative inability to shift load between costing periods, the
4 Industrial Customers may not be able to easily respond to marginal cost-
5 based price signals”. In the event that Industrial Customers indicate they are
6 able to shift loads or curtail loads in response to price signals (in order to
7 capture DSM or load management savings) would Mr. Greneman
8 recommend Hydro consider more flexible rate structures, including perhaps
9 curtailable rates or other time-of-use considerations?

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12 A. The statement referred to the perceived relative difficulty in being able to shift
13 significant load by virtue of the existing high load factor of the Industrial
14 Customers without causing greater demand in another period. However, in
15 the event that Industrial Customers indicate that they are indeed able to shift
16 or curtail loads in response to price signals, Mr. Greneman does recommend
17 that Hydro consider more flexible rate structures of the type indicated in the
18 question.