

1 Q. Does Hydro agree that the demand charge in the wholesale rate provides a
2 benchmark for Newfoundland Power to use in assessing load management
3 initiatives?

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6 A. The demand charge in the wholesale rate is the relevant price signal with
7 which to assess load management initiatives. The demand charge could be
8 a proxy for, or reflect, marginal or avoided costs and/or some combination of
9 direct marginal costs plus considerations of benefits that may not be
10 captured in marginal costs.