Q. Volume 2B, Report 8, page 2: The report indicates there were 16 customers participating in the Curtailable Service Option during the 2014-15 winter season providing an average curtailed load of 10.4 MW. What impact is the revised Curtailable Service Option expected to have on these figures?

A. General

There would be no impact on the 2014-15 figures. The proposed Curtailable Service Option (the "Option") would not change how curtailed load is measured.

The purpose of the proposed changes to the Option is to maintain and, if possible, increase the amount of contracted curtailable load on the Island Interconnected system in future winter seasons.

Penalty Provisions

The proposed changes to the penalty provisions could possibly increase the average load curtailed in future winter seasons.¹ This includes increasing the maximum number of failures to curtail in a winter period from 3 to 4.

For example, during the 2012/13 winter season there were 8 curtailment requests. Two customers had 3 failures after the 6^{th} request. As a result, these customers did not participate in the final 2 requests in that winter season. Had they participated, the overall load curtailed for the final 2 curtailment requests may have been higher.

Grouped Curtailment

The introduction of the grouped curtailment could possibly increase the level of participation in the Option.²

For example, Newfoundland Power currently has 2 customers that have indicated that this proposal would allow them to expand the amount of load curtailment they can provide under the Option.

Potential Impact

The potential amount of increased average curtailed load could possibly be in the range of 0.3 to 1.0 MW.

The Company's proposed changes to the Option penalty provisions are fully described in *Section 5.1 Penalty Provisions* of the Curtailable Service Option Review Report.

The Company's proposed changes to the Option for grouped curtailment are fully described in *Section 5.2 Grouped Curtailment* of the Curtailable Service Option Review Report.