

1 **Q. Reference: CA-NP-233 and CA-NP-234**

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3 **Please explain the methodology used to incorporate the peak demand reductions**
4 **associated with the programs listed in CA-NP-234 into the load factor and native**
5 **peak demand forecast discussed in CA-NP-233.**

6
7 **A. General**

8 Newfoundland Power uses a load factor based methodology to determine native peak
9 demand. The load factor used in the calculation is the average of 15 years of normalized
10 annual load factors¹. Native peak is calculated by applying the average load factor to the
11 total produced and purchased energy.

12
13 The 15 year average load factor reflects the usage by all customers over the 15 year
14 period. This usage would include the impact of changing penetration of electric heat,
15 changes in building construction and changes in penetration of various technologies
16 including those changes occurring due to Newfoundland Power's conservation programs.

17
18 *Conservation Program Impact (excluding impact of the Curtailable Service Option)*

19 The energy savings related to the conservation programs reduces Newfoundland Power's
20 forecast of total produced and purchased energy. The extent to which the total produced
21 and purchased energy is reduced, the native peak demand will also be reduced when the
22 15 year average load factor is applied to the total produced and purchased energy.

23
24 *Curtailable Service Option*

25 The peak demand reduction available from load curtailments is modeled as an explicit
26 demand reduction after the native peak is determined based on the 15 year average of
27 normalized annual load factors.²

¹ Information related to the calculation of the normalized load factor was provided in response to Request for Information CA-NP-255.

² See Newfoundland Power's Purchased Energy and Demand Forecast contained in *Volume 2, Exhibits & Supporting Materials, Reports*, Tab 4, Appendix C. The forecast includes a Total Curtailed Demand of 11.0 MW.