Q. Reference: Section 5, Customer Rates

The evidence of NP indicates that in 2010 "peak demand will increase by 1.0%" (page 5-1, line 5) while "Purchased peak demand is forecast to increase by approximately 1.1% from 2009 to 2010" (page 5-5, lines 6-7). Please confirm that the difference is fully explained by the fact that the Mws produced by NP are unchanged from 2009 to 2010. If there are any other factors, please provide a detailed explanation.

A. Table 1 provides the Forecast Supply Requirements for 2009 and 2010 assuming approval of the rate increase proposed in the Application. Table 1 also shows the percent change in energy and peak demand between 2009 and 2010.

Table 1
Forecast Supply Requirements
2009 to 2010

	2009F	2010F	% Change
Energy (GWh)			
Produced	425.9	428.8	0.7
Purchased	5,192.6	5,244.2	1.0
Total	5,618.5	5,673.0	1.0
Peak Demand (MW)			
Produced	117.93	117.93	0.0
Purchased	1,144.76	1,157.12	1.1
Total	1,262.69	1,275.05	1.0

Table 1 shows that total peak demand is forecast to increase by 1.0%, while purchased peak demand is forecast to increase by 1.1%.

It is confirmed that the difference between the percent increase for **total** peak demand and **purchased** peak demand is fully explained by the fact that the produced peak demand is unchanged from 2009 to 2010. The produced peak demand represents the generation credit provided for in Newfoundland and Labrador Hydro's wholesale rate structure.