

1 Q. (Re: Response to CA-NLH-70) The report in Exhibit 11 states "such a mechanism for
2 the curtailable load has cost of service implications". Please quantify the cost of
3 service implications.

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6 A. []

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8 In Hydro's September 19, 2014 application requesting the interim approval of
9 revisions to the Utility rate to Newfoundland Power, it is stated as follows:

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11 *The current Application proposes to modify the calculation of*
12 *billing demand in the Utility rate and treat Newfoundland*
13 *Power's curtailable load in a manner similar to the current*
14 *approach that provides for the efficient use of Newfoundland*
15 *Power's thermal generation.*

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17 The application proposed to provide a Curtailable Credit for use in computing the
18 billing demand for Newfoundland Power similar to the Generation Credit that
19 currently exists to ensure efficient overall management of generation resources on
20 the system.

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22 In response to Request for Information V-NLH-1 related to the September 19, 2014
23 Application, Hydro stated as follows:

24

25 *The forecast Newfoundland Power ("NP") native peaks, as*
26 *provided by the customer and included in Hydro's test year cost*
27 *of service, reflect NP peaks with the NP curtailable load*

1 *deducted. This approach is selected because NP requests*
2 *customers to curtail to minimize its billing demand on an annual*
3 *basis. As a result, Hydro's proposal to provide a curtailable credit*
4 *in computing the billing demand for NP does not impact cost*
5 *allocation in the test year cost of service study.*

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7 A Board decision on Hydro's application related to NP's curtailable load currently
8 remains outstanding; however, under the methodology proposed by Hydro, there
9 are no cost of service implications.