

1 **Q. Re: Pre-filed Testimony of Larry Brockman, page 8, footnote 16.**

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3 **Please provide copy of “2013 Curtailable Service Option Report, Newfoundland**  
4 **Power, April 19, 2013” as reference in footnote 16 on page 8.**

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6 A. Attachment A provides Newfoundland Power’s 2013 Curtailable Service Option Report,  
7 April 19, 2013. Attachment B provides Newfoundland Power’s most recent 2014  
8 Curtailable Service Option Report, April 30, 2014.

**Newfoundland Power's 2013 Curtailable Service Option Report**  
**April 19, 2013**



*Newfoundland Power Inc.*

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HAND DELIVERED

April 19, 2013

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

**Re: 2013 Curtailable Service Option Report**

Ladies & Gentlemen:

Please find enclosed the original and 8 copies of Newfoundland Power Inc.'s 2013 Curtailable Service Option Report.

If you have any questions, please contact the undersigned at the direct number noted below.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Gerard M. Hayes".

Gerard M. Hayes  
Senior Counsel

Enclosures



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## **2013 Curtailable Service Option Report**

**April 19, 2013**

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***Curtable Service Option Report***

**1. Purpose of Report**

This report summarizes the annual costs of maintaining Newfoundland Power's Curtable Service Option (the "Option"), the Option statistics for the 2012-2013 winter season, and the impact of the Option on the energy requirements of Newfoundland Power during peak load conditions.

This report is submitted in accordance with Order No. P.U. 7 (1996-97), which states:

"The Applicant shall follow the directions given in Items (4) and (5) of Order No. P.U. 4 (1994-95) and provide the updated statistics, thirty days after each 'winter season' for the Board's information and evaluation."

Items (4) and (5) of Order No. P.U. 4 (1994-95) are as follows:

- (4) "Accounts will be established to accumulate all costs associated with the curtable service option for purpose of evaluation at the next rate hearing.
- (5) Statistics are to be compiled for the purpose of determining the impact on peak load conditions during the period in which curtailment occurred."

**2. Costs of the Curtable Service Option**

*Operating Costs*

The operating costs incurred by the Company in offering the Option include labour costs, telephone line rental costs and the cost of the curtailment credits. Table 1 compares the costs for the current period (April 2012 to March 2013) with the costs for the previous 12 months.

**Table 1**  
**Curtable Service Option**  
**Operating Costs**

	<b>April 2012 to March 2013</b>	<b>April 2011 to March 2012</b>
Labour	\$ 14,982	\$ 18,255
Telephone Line Rentals	6,336	6,143
Curtailment Credits	222,074	332,754
Total Operating Costs	\$243,392	\$357,152
Customers	21	21

The total curtailment credits of \$222,074 for the current period compare to a total of \$332,754 for the same period last year. Changes to curtailment credits year over year are

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**Curtable Service Option Report**

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attributable to variation in demand and consumption, and the mix of customers achieving full or partial credit. The curtailment credit total for the 2012-2013 winter season is lower than the previous season's total primarily due to a higher number of curtailment failures this past winter season.

### 3. Curtable Service Option Statistics

Twenty-one customers participated in the Option during the 2012-2013 winter season, which is the same number as participated in last year's program.

There were eight curtailment requests during the 2012-2013 winter season, which compares to two requests the previous season. The higher number of requests was due to a combination of an unusual number of cold weather days in January and early February, and a reduction in available generation resulting from the unavailability of a unit at Newfoundland and Labrador Hydro's ("Hydro") Holyrood Thermal Generating Station.

Curtailment requests were made on January 7<sup>th</sup>, 8<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 23<sup>rd</sup> and 24<sup>th</sup>, and on February 8<sup>th</sup> and 9<sup>th</sup>.

The curtailment statistics for the 2012-2013 winter season are as follows:

Number of Curtailment Requests	8
Number of Customers Available to Curtail	21
Total Number of Customer Curtailment Requests	162 <sup>1</sup>
Number of Customer Curtailment Failures	17
Number of Successful Customer Curtailments	145
% of Successful Curtailments	89.5%
Requested Hours of Curtailment	18.25
Avoided Load due to Curtailment	9 MW <sup>2</sup>

The percentage of successful curtailments is determined by dividing the number of successful customer curtailments (145) by the total number of customer curtailment requests (162).

Newfoundland Power contacted all participants prior to the most recent winter season to ensure their curtailment compliance processes were in place. The Company also communicated with participants on the days preceding anticipated peaks. There were 17 curtailment failures during this winter season. This is up significantly from last year. More than half of the curtailment failures resulted from customer's standby generation

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<sup>1</sup> There was a potential for 168 curtailment requests (21 customers *times* 8 curtailment occasions). However, two participants received only 3 requests, and failed to comply because their generation was out for maintenance. At that point, they were removed from the call list for the season. In one instance, a participant was inadvertently omitted from the call list.

<sup>2</sup> Average avoided load due to curtailments for all occasions was estimated at approximately 9 MW. The maximum curtailed was 11 MW on January 7, 2013 and the minimum curtailed was 8 MW on February 9, 2013.

being unavailable when requested. Six of the failures were attributable to two participants whose generation was undergoing maintenance at the time of the curtailment requests. Both these participants were unable to curtail on each of the 3 occasions a curtailment was requested; consequently, they were ineligible to receive a curtailment credit.

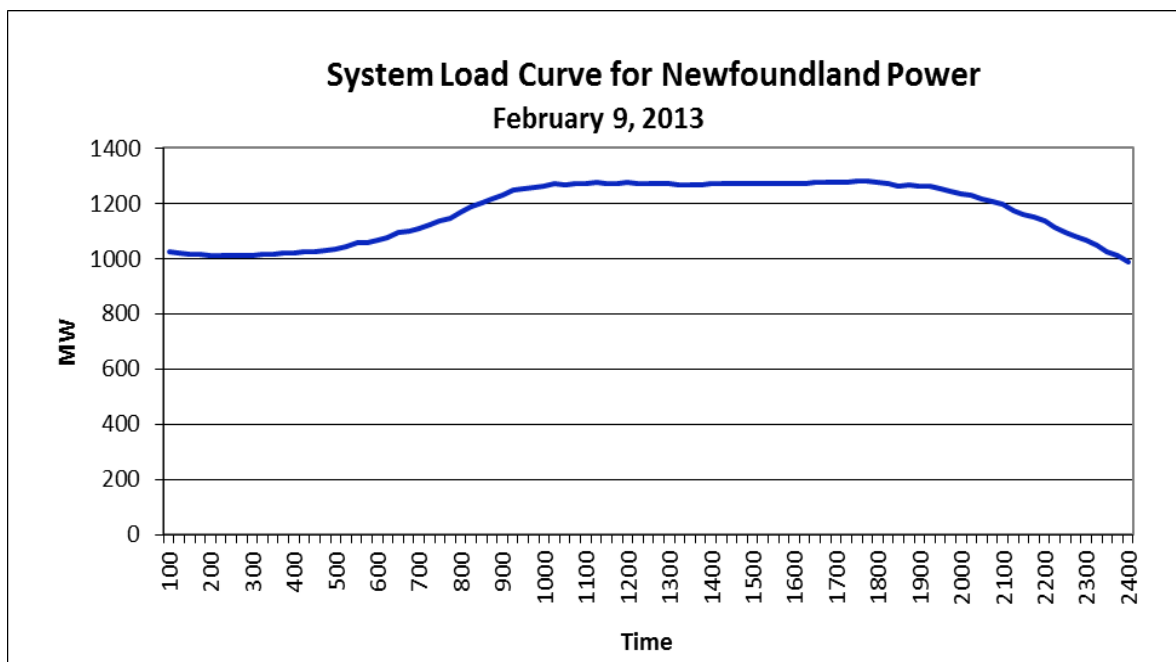
#### **4. Impact on Peak Load**

For the 2012-2013 winter season, the Option provided Newfoundland Power with approximately 13.0 MW of potential load curtailment to exercise during peak load conditions.<sup>3</sup> A load curtailment of 13.0 MW is equivalent to approximately 1.0 percent of the historical peak load for Newfoundland Power of 1,281 MW.

The Company generally requests curtailments when its customers' load requirements are expected to reach peak conditions, taking into account such factors as the weather forecast, rate of load growth, and the time of year. Hydro is likely to be near peak load conditions at the same time. Curtailment requests are also made on occasions when Hydro requests the Company to curtail customer loads during the winter season. Hydro requested curtailments on the afternoons of January 19<sup>th</sup> and February 9<sup>th</sup>.

Figure 1 shows the load curve of Newfoundland Power's system on February 9<sup>th</sup>, 2013, which was the winter season peak day.

**Figure 1**

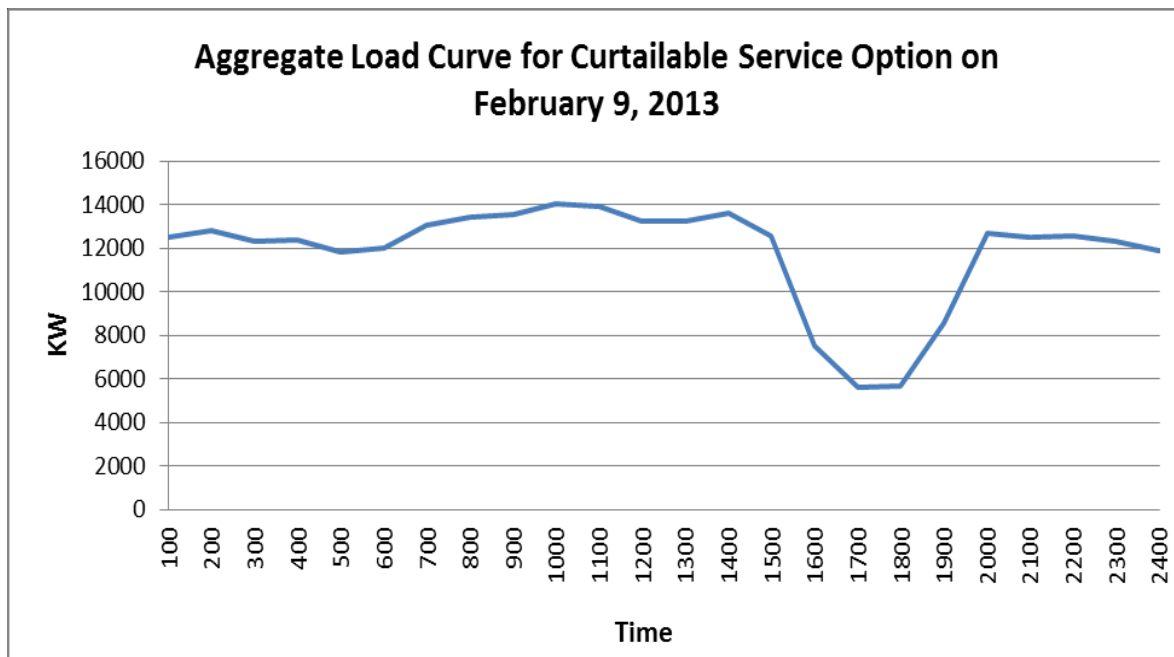


<sup>3</sup> The estimated potential load curtailment assumes that all customers will be successful in curtailing load when requested.

## Curtailable Service Option Report

Figure 2 illustrates the impact of the curtailment request on the demand of customers availing of the Option on the winter season peak day.

**Figure 2**



The actual level of curtailable load realized for any one curtailment depends on both the number of successful customer curtailments for each request, and the coincidence of curtailable customers' peak energy usage with the time of the curtailment request. The estimated curtailed load for the February 9<sup>th</sup>, 2013 curtailment is approximately 8 MW.

### 5. Summary

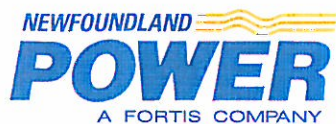
The cost of offering the Option for the period April 2012 to March 2013 was \$243,392, of which \$222,074 was paid to customers in curtailment credits. The balance consists of internal labour and other costs associated with administration of the Option.

During the 2012-2013 winter season, a total of 21 customers participated in the Option. There were 8 curtailment requests, requiring a total of approximately 18.25 hours of curtailment.

The estimated curtailed load on the peak day of February 9<sup>th</sup>, 2013 was 8 MW.



**Newfoundland Power's 2014 Curtailable Service Option Report**  
**April 30, 2014**



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April 30, 2014

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

**Re: 2014 Curtailable Service Option Report**

Ladies and Gentlemen:

Please find enclosed the original and 8 copies of Newfoundland Power Inc.'s 2014 Curtailable Service Option Report.

If you have any questions, please contact the undersigned at the direct number noted below.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Gerard M. Hayes".

Gerard M. Hayes  
Senior Counsel

Enclosures



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## **2014 Curtailable Service Option Report**

**April 30, 2014**

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***Curtable Service Option Report***

## **1. PURPOSE OF REPORT**

This report summarizes the annual costs of maintaining Newfoundland Power's Curtable Service Option (the "Option"), the Option statistics for the 2013-2014 winter season, and the impact of the Option on the demand requirements of Newfoundland Power during peak load conditions.

This report is submitted in accordance with Order No. P.U. 7 (1996-97), which states:

"The Applicant shall follow the directions given in Items (4) and (5) of Order No. P.U. 4 (1994-95) and provide the updated statistics, thirty days after each 'winter season' for the Board's information and evaluation."

Items (4) and (5) of Order No. P.U. 4 (1994-95) are as follows:

- (4) "Accounts will be established to accumulate all costs associated with the curtable service option for purpose of evaluation at the next rate hearing.
- (5) Statistics are to be compiled for the purpose of determining the impact on peak load conditions during the period in which curtailment occurred."

## **2. COSTS OF THE CURTABLE SERVICE OPTION**

### **2.1 Operating Costs**

The operating costs incurred by Newfoundland Power in offering the Option include labour costs, telephone line rental costs and the cost of the curtailment credits. Table 1 compares the costs for the current period (April 2013 to March 2014) with the costs for the previous 12 months.

**Table 1**  
**Curtable Service Option**  
**Operating Costs**

	<b>April 2013 to March 2014</b>	<b>April 2012 to March 2013</b>
Labour	\$ 8,507	\$ 14,982
Telephone Line Rentals	5,274	6,336
Curtailment Credits	241,622	222,074
Total Operating Costs	\$255,403	\$243,392
Customers	17	21

The total curtailment credits of \$241,622 for the current period compare to a total of \$222,074 for the same period during the previous year. Changes to curtailment credits year over year are

***Curtailable Service Option Report***

attributable to variation in demand and consumption, and the mix of customers achieving full or partial credit. The credit total for the 2013-2014 winter season is higher than the previous season's total primarily because there were fewer instances of customers failing to curtail upon request.

### **3. CURTAILABLE SERVICE OPTION STATISTICS**

Seventeen customers participated in the Option during the 2013-2014 winter season, 4 fewer than participated during the 2012-2013 winter season.<sup>1</sup>

There were eleven curtailment requests during the 2013-2014 winter season. Curtailment requests were made on the mornings of December 30<sup>th</sup>, 2013, January 3<sup>rd</sup>, 2014 and March 5<sup>th</sup>, 2014 and the afternoons of December 13<sup>th</sup>, 2013, December 14<sup>th</sup>, 2013, December 29<sup>th</sup>, 2013, December 30<sup>th</sup>, 2013, January 1<sup>st</sup>, 2014, January 2<sup>nd</sup>, 2014, January 3<sup>rd</sup>, 2014 and March 5<sup>th</sup>, 2014.

The curtailment statistics for the 2013-2014 winter season are as follows:

Number of Curtailment Requests	11
Number of Customers Available to Curtail	17
Total Number of Customer Curtailment Requests	157 <sup>2</sup>
Number of Customer Curtailment Failures	12
Number of Successful Customer Curtailments	145
% of Successful Curtailments	92.4%
Requested Hours of Curtailment	36.5
Avoided Load due to Curtailment	7.5 MW <sup>3</sup>

The percentage of successful curtailments is determined by dividing the number of successful customer curtailments (145) by the total number of customer curtailment requests (157).

There were 12 curtailment failures during this winter season, a reduction of 5 from last season. In accordance with normal practice, the Company contacted all participants on the Option prior to this winter season to ensure their curtailment compliance processes were in place. Newfoundland Power also communicated with customers on the days preceding anticipated peak

<sup>1</sup> The reduction in participation was related to 3 customers whose facilities were under renovation, and one customer who was not prepared to provide a definite commitment to meet the requirements of the Curtailable Service Option during the 2013-14 winter season.

<sup>2</sup> Based on the total number of participants, there was a potential of 187 customer curtailment requests during the season. However, 30 potential customer curtailment requests are excluded from the curtailment statistics. 17 of the excluded curtailment requests are associated with a request on December 30, 2013 that was determined not to be required before all customers had been contacted. 13 potential customer curtailment requests were excluded because the terms of the Option provide that customers who fail to curtail on 3 occasions are excluded from further participation.

<sup>3</sup> The avoided load during Newfoundland Power's system peak on March 5, 2014 was estimated at approximately 7.5 MW.

periods. One customer failed to comply on two occasions due to their own operational requirements at the time of the request. A majority of the other curtailment failures were related to mechanical issues with the customers' generators.

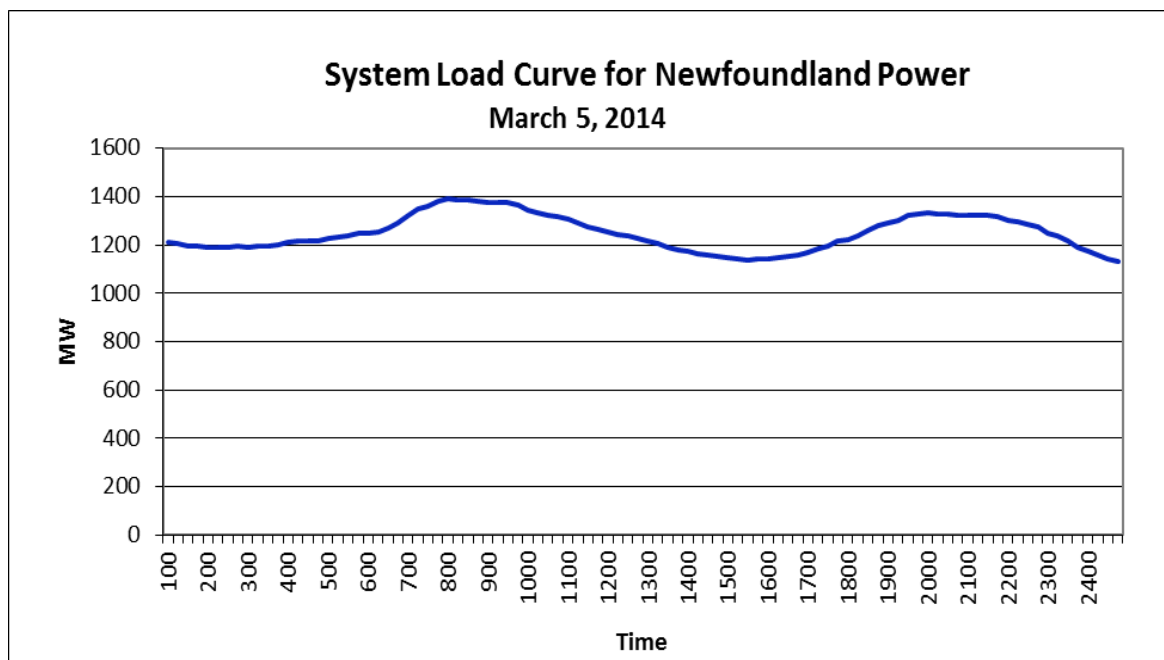
#### **4. IMPACT ON PEAK LOAD**

For the 2013-2014 winter season, the Option provided the Company with approximately 10.0 MW of potential load curtailment to exercise during peak load conditions.<sup>4</sup> A load curtailment of 10.0 MW is equivalent to approximately 0.7 percent of the historical peak load for Newfoundland Power of 1,392 MW.

The Company generally requests curtailments when its customers' load requirements are expected to reach peak conditions, taking into account such factors as the weather forecast, rate of load growth, and the time of year. Newfoundland and Labrador Hydro ("Hydro") is likely to be near peak load conditions at the same time. Curtailment requests are also made on occasions when Hydro asks that Newfoundland Power require customers to curtail loads during the winter season. Hydro requested curtailments on the mornings of December 30<sup>th</sup>, 2013 and January 3<sup>rd</sup>, 2014 and the afternoons of December 29<sup>th</sup>, 2013, December 30<sup>th</sup>, 2013, January 2<sup>nd</sup>, 2014, January 3<sup>rd</sup>, 2014 and March 5<sup>th</sup>, 2014.

Figure 1 shows the load curve of Newfoundland Power's system on March 5th, 2014, which was the winter season peak day.

**Figure 1**

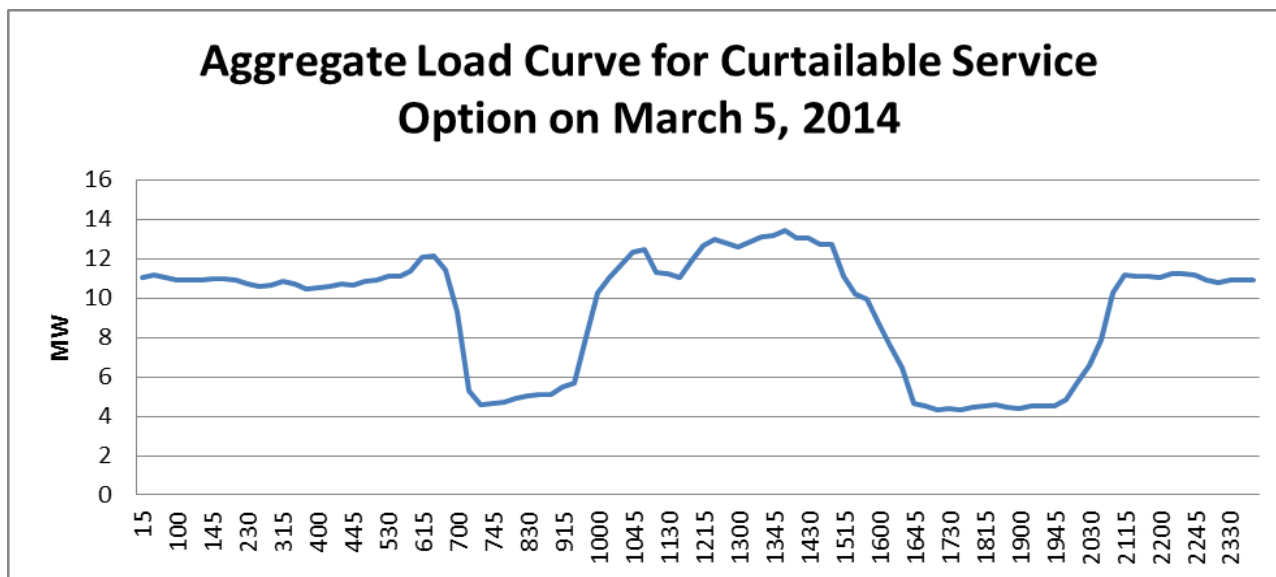


<sup>4</sup> The estimate of potential load curtailment assumes that all customers will be successful in curtailing load when requested.

***Curtable Service Option Report***

Figure 2 illustrates the impact of the curtailment request on the demand of customers availing of the Option on the winter season peak day.

**Figure 2**



The actual level of curtable load realized for any one curtailment depends on both the number of successful customer curtailments for each request, and the coincidence of curtable customers' peak energy usage with the time of the curtailment request. The estimated curtailed load for the March 5<sup>th</sup>, 2014 morning curtailment is approximately 7.5 MW.

## 5. SUMMARY

The cost of offering the Option for the period April 2013 to March 2014 was \$255,403, of which \$241,622 was paid to customers in curtailment credits. The balance consists of internal labour and other costs associated with administration of the Option.

During the 2013-2014 winter season, a total of 17 customers participated in the Option. There were 11 curtailment requests, requiring a total of approximately 36.5 hours of curtailment.

The estimated curtailed load on the peak day of March 5<sup>th</sup>, 2014 (morning) was 7.5 MW.