

1 Q. Page 33, Lines 4 to 10: Does Mr. Patrick Bowman agree that the treatment of
2 Newfoundland Power's curtailable load should lead to an optimal use of
3 resources? If not, then why not?

4 A. Yes.

5 This means that load should be curtailed when the overall Island Interconnected
6 System achieves benefits from curtailing the load, and should not be curtailed
7 when the overall system does not achieve notable benefits.

8 The load should not be curtailed when it suits NP's desire to reduce its power
9 supply costs, but ultimately does no good (or causes net costs¹) to the overall
10 system. This can be achieved in two ways: (1) is to give full credit to NP in the
11 COS as if their load was curtailed at peak times, regardless as to whether it was
12 truly curtailed, and (2) is to give NP no credit in the COS for curtailable load
13 regardless as to whether it was curtailed. Consistent with the longstanding
14 treatment of Hydro's curtailable program (Interruptible B), and with proper COS
15 analysis, Mr. Bowman is recommending adoption of approach number (2) above.

16 Further, if there are indeed system-wide benefits from capacity interruption
17 options, then such options should also be provided to Hydro's industrial
18 customers. If this is secured, the same COS methodology as recommended
19 above should be applied to industrial curtailable load, just as it was when the
20 "Interruptible B" program (a curtailable service option) was available to
21 customers.

¹ For example, Hydro noted in IC-NLH-72 that NP's curtailable load has been called on twice since 2008 for bona fide system support needs, and on both occasions the curtailments were refused by NP. One possible reason for such a refusal is that the load had already been curtailed too many times to try to manipulate NP's peak load periods to reduce their billings from Hydro, to no overall system benefit. This is an example of how the use of curtailable load would be used to cause a net cost to the system.