

1    **Q.**     In Order No. P.U. 7 (2002-2003), the Board states on page 115:

2           *"The Board is not convinced that there is any inherent unfairness in the methods*  
3           *in which NLH treats the non-firm load and demand credit for the IC and NP. While*  
4           *the end result of the Interruptible 'B' credit and the generation credit is the same*  
5           *i.e. additional energy is available to the system when needed, the mechanisms are*  
6           *different and hence it would be expected that the method for compensation would*  
7           *be different.*

8           *The Board accepts NLH's treatment of the generation credit for NP and the*  
9           *Interruptible 'B' credit for the IC."*

10          Please explain in detail the degree to which InterGroup believe the Board's conclusion in  
11          Order No. P.U. 7 (2002-2003) is relevant to Hydro's proposed treatment of  
12          Newfoundland Power's curtailable load in the 2015 Cost of Service Study.

13       **A.**     First, note that the Board's Order in 2003 reflects a past treatment of the NP Generation  
14               Credit. That credit was reviewed as part of the 2006 GRA and was altered based on the  
15               work of Hydro's Cost of Service consultants (see NP-IC-24).

16               Second, NP's curtailable load is comparable to Interruptible B in terms of the  
17               "mechanism" (i.e., interruption of load) and not to the Generation Credit mechanism (i.e.,  
18               dispatch of generating units).

19               As a result, Messrs Bowman and Najmidinov expect that to the extent that the PUB's  
20               previous ruling regarding the Interruptible B mechanism is relevant, it is supportive of the  
21               conclusion that NP's Curtailable Load not be treated in accordance with the new interim  
22               Order P.U. 47 (2014) but rather consistent with the previous industrial Interruptible B  
23               (and with the updated industrial Capacity Assistance agreements).