

1 Q. Explain in detail why the Coincident Peak at Generation for the Island
2 Interconnected System (1,376,994 kW) as shown on "System Load Factor,"
3 Schedule 4.2, Exhibit 13 differs from the Coincident kW at Generation Grand Total
4 (1,341,001 kW) shown on "Summary of Demand and Energy Factors" in the
5 supporting file "Load2013TY," provided with the Cost of Service model.

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8 A. The Board, in Order No. P.U. 8(2007) approved Hydro's Cost of Service and rates
9 proposals based on a series of agreements among the parties to Hydro's 2006 GRA.
10 Among the proposals inherent in the COS and rates was:

11 *"that the Cost of Service treatment of Newfoundland Power's thermal*
12 *generation credit no longer apply to transmission costing and that it no*
13 *longer impact system load factor calculations"*

14
15 Hydro has applied this COS treatment in the current GRA. The System load factor
16 Coincident kW at Generation of 1,376,994 kW differs from the Coincident kW at
17 Generation Grand Total (1,341,001 kW) shown on "Summary of Demand and
18 Energy Factors" page of the load file by 35,993¹ kW, the thermal portion of NP's
19 generation credit.

¹ Thermal generation capacity of 41,500, divided by the system reserve factor of 1.153.