

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.

4

5

6 A. Quantification of the Cost of Service implications requires that decisions be made
7 regarding the amount of curtailable load for which NP should receive credit, and
8 whether such a credit should be applied to NP's transmission demand, generation
9 demand, and/or the system load factor. Any generation credit applied to NP's COS
10 demand would transfer demand costs from NP to other customers, when compared
11 to Hydro's filed COS Study. The response to IC-NLH-051 shows the difference in
12 allocated revenue requirement is \$875,946 as a result of NP's proposed generation
13 credit of 120,208 kW (138,600 kW before application of the system reserve factor).
14 The combined effect per gross MW is \$6,403.