

1 Q. Is Hydro of the opinion that its and Newfoundland Power's existing seasonal and
2 time-of-use rates would assist in conservation initiatives and should customers be
3 encouraged to avail of these rates?
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6 A. It is Hydro's opinion that appropriate price signals are of value to energy
7 conservation and demand reduction. The determination of what is an appropriate
8 price signal requires a comprehensive review of both the savings which are
9 attainable through the various means of conservation, including rate structures,
10 and the system benefits reasonably attainable through such initiatives. Hydro does
11 not believe that attempting to influence usage through the existing seasonal and
12 Newfoundland Power's time-of-use rates should be promoted without further study
13 to determine whether this would achieve overall system benefits, rather than
14 benefits for only the relatively short periods of high demand currently experienced
15 on the Island Interconnected System.