

1 **Schedule B**3 **Q. (Schedule B, page 7 of 12) Curtailable Service Option (for Rates #2.3 and #2.4 only):**

- 4 a) **When was this optional rate established and made available to customers?**
 5 b) **How many customers have availed of this optional rate in each of the last 10**
 6 **years, and what is the total amount of curtailable load made available to the**
 7 **system by these customers in each of the past 10 years?**
 8 c) **What is the basis for the curtailment credit, when was it last updated, and what**
 9 **was the reason for the update?**
 10 d) **What is the basis for the 6-hour duration per interruption and the 100 hours**
 11 **total duration in a winter period, when were these requirements last updated**
 12 **and what was the reason for the update?**
 13 e) **How does the curtailment credit, hours per interruption and hours duration**
 14 **over a winter period compare to the current system marginal cost of demand?**
 15 f) **If Newfoundland Power were directed by the Board to update this optional rate**
 16 **to better reflect current estimates of marginal costs, what would Newfoundland**
 17 **Power propose?**

19 A. a) The Curtailable Service Option was first made available to Rate #2.3 and Rate #2.4
 20 General Service customers in October, 1994.¹

21 b) See Table 1.
 22

**Table 1:
 Summary of Curtailable Customers
 2014 to 2023**

Year	# of Customers	Total Curtailment (MW)
2023	24	12.4
2022	24	12.2
2021	24	11.4
2020	24	11.8
2019	23	10.3
2018	22	11.0
2017	23	11.3
2016	18	10.4
2015	16	10.4
2014	17	7.5

¹ See Order No. P.U. 4 (1994-95).

- 1 c) The curtailment credit rate of \$29 per kVA was originally based on a Loss of Load
2 Probability (“LOLP”) Study carried out by Newfoundland & Labrador Hydro
3 (“Hydro”).²
4

5 Newfoundland Power conducted a review of the Curtailable Service Option in 2014.
6 The *Curtailable Service Option Review* report was filed as part of the Company’s
7 *2016/2017 General Rate Application*.³ The purpose of the review was to assess the
8 effectiveness of the Curtailable Service Option and identify any improvements. The
9 review found that the \$29 per kVA curtailment credit was reasonably consistent with
10 other jurisdictions and comparable to the interruptible agreements between Hydro and
11 two of its industrial customers.⁴ Changes to the Curtailable Service Option formed
12 part of the Settlement Agreement filed in relation to the *2016/2017 General Rate*
13 *Application*.⁵
14

- 15 d) The Curtailable Service Option sets limitations on Newfoundland Power’s
16 curtailment requests. This includes: (i) curtailment periods not to exceed six hours for
17 any one occurrence; and (ii) overall customer curtailment hours in a winter season not
18 to exceed 100.⁶ These limitations provide Newfoundland Power with the ability to
19 curtail for the duration of a morning and evening peak. It also provides the Company
20 with the ability to curtail for multiple peaks that can occur throughout a winter
21 season. These limitations also enable customers to judge whether the Curtailable
22 Service Option is compatible with their operations.
23

24 Newfoundland Power consulted with its customers as part of its *Curtailable Service*
25 *Option Review*. A primary customer concern was the number of curtailment requests
26 in a winter season. Newfoundland Power and Hydro responded to these concerns by
27 limiting customer curtailment requests to only those hours when there is a capacity
28 constraint on the Island Interconnected System.⁷
29

- 30 e) See Attachment A.

- 31
32 f) See part e) of the response to Request for Information CA-NP-110.

² See Order No. P.U. 7 (1996-1997).

³ See Newfoundland Power’s *2016/2017 General Rate Application, Volume 2, Exhibits and Supporting Materials, 8. Curtailable Service Option Review*.

⁴ See Newfoundland Power’s *2016/2017 General Rate Application, Volume 2, Exhibits and Supporting Materials, 8. Curtailable Service Option Review, page 6*.

⁵ See Order No. P.U. 18 (2016), page 9 line 41 to page 10 line 13.

⁶ These limitations have been in effect since the Curtailable Service Option was established in October, 1994.

⁷ See Order No. P.U. 47 (2014).

**Newfoundland Power Inc.
Curtailed Service Option Curtailment Credit
and Marginal Capacity Cost**

**Newfoundland Power Inc.
Domestic Service Rate #1.1 Energy Charge and
Marginal Energy Supply Cost (2025F)**

Curtable Service Option	Marginal Capacity Costs		
	Generation	Transmission	G&T
\$/kVA	\$/kW	\$/kW	\$/kW
29	290.99	18.95	309.94

Notes:

1. Curtable Service Option curtailment credit of \$29/kVA per *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Schedule B*.
2. Marginal Capacity Cost is based on Newfoundland and Labrador Hydro's Marginal Cost Update, October 2023.
3. Winter season defined as December through March.
4. On Peak Hours Winter 7:00 a.m. to 10:00 p.m., Monday through Friday.
5. On Peak Hours Summer 8:00 a.m. to 10:00 p.m., Monday through Friday.