

1 **Q. In reference to the evidence of Larry Brockman, page 13, lines 18 to 21 - “The**
2 **Company is proposing to maintain the basis for calculating the curtailment credit at**
3 **\$29 per kVA. The Company has compared the Curtailable Service Option credit to**
4 **Hydro’s Interruptible B credit. The Company considers this to be a reasonable**
5 **means of evaluating the Curtailable Service Option credit. I support the Company’s**
6 **proposal on this issue.” - On the basis of what ratemaking principles and analysis of**
7 **the Curtailable Service Option does Newfoundland Power and Mr. Brockman base**
8 **their support for maintaining the status quo?**

10 **A. Attachment A to the Company’s response to Request for Information CA-295 is the**
11 **detailed review by Mr. Brockman of the Curtailable Service Option. This document sets**
12 **out Mr. Brockman’s rationale for supporting the decision to maintain the status quo.**

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14 Essentially, the freezing of the rate is supported by its similarity to Hydro’s Interruptible
15 B credit, the fact that it is difficult to accurately evaluate the benefits of the Curtailable
16 Service Option in the absence of reliable data on the marginal cost of electricity on the
17 island, and the fact that it might prove difficult to recruit curtailable load in future if the
18 current option is abandoned. This approach is consistent with the ratemaking principles
19 of rate stability and practicality.