Q. Reference: Section 4.3: NP Curtailable Load Recommendation, Pages 8-10

Mr. Brockman proposes to recognize the NP curtailable load in the cost of service (COS) study in the same manner as the NP thermal generation. If Hydro and an industrial customer were to agree on interrupting a load of 60 mW, would Mr. Brockman also recommend recognizing the 60 mW in the same way in the COS study?

A. Mr. Brockman agrees that, in theory, it may be appropriate to recognize the interruptible Industrial Customer load in the COS study in the same manner as the Newfoundland Power thermal generation. However, practical considerations may require that the detailed approach be different.

The approach to recognizing interruptible Industrial Customer load in the COS study may need to be different because the Industrial Customers are served under a power-on-order rate scheme, while Newfoundland Power is not.

The interruptible load characteristics of the Industrial customer may also be an issue. For example, the interruptible load available from Corner Brook Pulp and Paper is 200% greater than their demand requirements, while Newfoundland Power's thermal generation represents less than 4% of their demand requirements.[1]

[1] Exhibit 13, page 21 of 109, shows Newfoundland Power's thermal capacity to be 41.5 MW, which is less than 4% of its forecast peak load requirements as shown in NP-NLH-010. Hydro's report *A Review of Supply Issues & Rotating Outages Report*, March 24, 2014, page 33 of 55, lines 5 to 10, shows that Corner Brook Pulp and Paper has an interruptible load capability of 60 MW, which is 200% more than their demand requirement of 20 MW as shown in the response to Request for Information NP-NLH-010.