

1 Q. Schedule 2, page 3, Clause 16 of the Terms and Conditions. Please explain the rationale of why  
2 the non-firm capacity of a non-firm customer that discontinues service is first only shared  
3 among the remaining existing customers and not offered to any potential new applicants?  
4 Under this scenario is it not possible for one customer to have all of the available non-firm  
5 service if the other customers in a specific region discontinued service?

6 a) Does this condition only apply to a permanent discontinuation of service? Please explain.

7 b) Please explain what would occur if a non-firm customer requests a temporary  
8 discontinuation of service. Would the customer's power be shared among the remaining  
9 non-firm customers?

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12 A. Newfoundland and Labrador Hydro ("Hydro") proposed this approach because the applicants  
13 requested materially more non-firm service than Hydro has available to provide. Given the load  
14 requested was in excess of what Hydro can supply on a non-firm basis, and the significant  
15 infrastructure investments that would need to be made by customers to utilize non-firm load,  
16 Hydro believes it would be appropriate to provide the option to share equally in the newly  
17 available non-firm capacity. Hydro's proposal recognizes that if the customer that discontinued  
18 non-firm service had not initially applied for non-firm service, the other non-firm customers  
19 would have had additional non-firm service available when their application for service was  
20 accepted.

21 Under Hydro's proposed approach, it is possible for one customer in a specific region to avail of  
22 all non-firm capacity. However, that scenario could only exist if a single customer installed  
23 adequate infrastructure to utilize all available non-firm capacity.

24 a) Clause 16 in the Terms and Conditions is specific to a permanent discontinuation of service.

25 b) If a non-firm customer requested to temporarily discontinue service, any additional non-  
26 firm capacity would be made available to existing non-firm customers during the period of  
27 the temporary discontinuance of service.