

1 Q. Explain any differences in treatment of the Newfoundland Power thermal generation credit and
2 hydraulic generation credit in the allocation of transmission demand costs in the Cost of Service
3 study.

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6 A. As per Board of Commissioners of Public Utilities Order No. P.U. 8(2007), the thermal generation
7 credit is not applied to Newfoundland Power Inc.'s ("Newfoundland Power") coincident peak at
8 transmission.

9 The hydraulic generation is applied to Newfoundland Power's coincident peak demand at
10 transmission.

11 In the Cost of Service Study, Newfoundland Power's costs allocated as Transmission Demand
12 benefit from the reduction of the hydraulic generation credit; thus, decreasing their proportion
13 of total demand between all Island Interconnected System rate classes.