

1 **Q. Reference: Application, Schedule 1, Attachment 2, page 6.**

2 Table 1 titled Non-Firm Incremental Energy Designs at Canadian Utilities provides that all
3 utilities offer non-firm pricing through either a “rider” or a “program” versus the “rate”
4 indicated to be used by Hydro. Are there any relevant distinctions between the offering of a
5 rider or program versus a rate? For example, in other jurisdictions, would non-firm pricing be
6 available to new customers under the rider or program or would it be limited to existing
7 customers?

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10 **A.** In Newfoundland and Labrador Hydro’s (“Hydro”) view, a “rider” or “program” would be
11 expected to be applied to existing customers. The availability of non-firm pricing is typically
12 restricted to existing customers for load requested in excess of existing customers’ firm load
13 requirements. This approach is consistent with the non-firm pricing approach employed by
14 Hydro for Island Industrial customers and the Imbalance rate for Labrador Industrial customers.

15 Due to the transmission constraints on the Labrador Interconnected System, Hydro is currently
16 unable to provide firm service to most of the customers requesting service. However, Hydro has
17 available energy to enable the provision of service on a non-firm basis. The implementation of
18 the proposed non-firm rate on the Labrador Interconnected System to serve new customers
19 would enable Hydro to provide service to additional customers without negatively impacting
20 existing customers.