

IC 102 NLH (1st Revision – October 4, 2006)
2006 NLH General Rate Application

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1 Q. Re. evidence of J. R. Haynes, Page 32, change of system reserve
2 percentage from 16% to 15%: Is this change a result of continued application
3 of the same LOLH target of 2.8 hours/year to the system loads and
4 configuration consistent with 2007 forecasts? If so, please indicate the
5 system reserve percentage applicable to each year of the forecasts in Table
6 4 (page 30) of Haynes' evidence in the event that load characteristics
7 forecast in future years are not consistent with the 15% reserve margin.

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10 A. Yes, the change from 16% to 15% is a result of the continued application of
11 the same LOLH target of 2.8 hours/year to system loads and generation
12 configuration consistent with 2007 forecasts.

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14 The calculation of reserve margin at criteria is a result of the generation
15 planning process and does not influence generation planning activities. It is
16 used in the rate setting process to allocate credit in test years to
17 Newfoundland Power's generation assets.

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19 The system reserve percentages applicable to each year of the forecasts in
20 Table 4 (page 30) of Haynes' evidence are given on the next page. The
21 generation expansion plan used for this exercise is given in IC 53 NLH.

	Peak	Energy	% Reserve
	MW	GWh	at
			Criteria
2007	1,569	8,150	15.1%
2008	1,683	8,196	14.0%
2009	1,595	8,322	15.7%
2010	1,615	8,426	15.8%
2011	1,635	8,501	15.4%
2012	1,684	8,775	15.0%
2013	1,698	8,857	16.5%
2014	1,705	8,956	16.2%
2015	1,710	8,969	16.2%