

1 Q. **Cost of Service**

2 Please confirm that Hydro calls for capacity assistance from the industrial  
3 customers mostly during system peak when there is not enough capacity to supply  
4 Island or regional demand.

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7 A. Hydro confirms that it calls for capacity assistance from the Island Industrial  
8 Customers, with which Hydro has agreements, in order to support reserve  
9 requirements on the Island and Avalon transmission systems and to reliably supply  
10 customer demand. This support is normally requested during peak times of the day  
11 and has primarily been called upon where there are issues with generation or  
12 regional transmission. Hydro may also choose to call upon capacity assistance to  
13 meet other system needs. Hydro's capacity assistance arrangements are in place  
14 during the winter period when customer demand is highest.