

1 Q. **Reference: Exhibit 9.**

2 Please confirm that the problems associated with NP's inappropriate use of  
3 curtailable load (i.e., to reduce their peak demand billing, but applied in the  
4 absence of any real system emergency or need for the capacity) will be exacerbated  
5 by the increase in NP demand charge to the \$9.12/kW level from the current \$4/kW  
6 level.

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9 A.  In the Hydro's Amended Application, Hydro is proposing to implement a  
10 curtailable credit in the billing demand for NP to ensure the efficient use of NP's  
11 curtailable load. Under Hydro's proposal, the demand charge will not influence  
12 when NP's customers are requested to curtail.