

1 Q. **Reference: Response to PUB-NLH-061**

2 Would Hydro consider it reasonable to modify the liquidated damages provision in the service
3 agreements and use a demand charge more reflective of the embedded demand cost from the
4 2027 Test Year Cost of Service Study (net of mitigation) to reduce the risk of demand revenue
5 loss from the departure of an Island Industrial Customer? Explain.

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8 A. Yes. Newfoundland and Labrador Hydro would consider such a modification reasonable;
9 however, any change to the liquidated damages provision would require the applicable service
10 agreements to be updated with the Island Industrial Customers.