

DIVISION X.II – INTERRUPTIBLE ELECTRICITY

**TRADUCTION ANGLAISE DU LIBELLÉ DE LA SECTION PROPOSÉE DU
RÈGLEMENT TARIFAIRE N° 663
POUR L'OPTION D'ÉLECTRICITÉ INTERRUPTIBLE**

Division X.II is an addition to Hydro-Québec Bylaw No.663 Establishing Electricity Rates and Their Conditions of Application, and comes into effect on December 3, 2003.

Division X.I

INTERRUPTIBLE ELECTRICITY OPTION

Subdivision 1 - General

221.15 Application: The Interruptible Electricity option applies to a contract subject to Rate L where there is no contract for interruptible power under a special contract at the same delivery point.

221.16 Definitions: In this Division, the following terms are defined as follows:

“base power”: The difference between:

- a) the higher of the maximum contract power for the last 12 consumption periods terminating at the end of the consumption period concerned and the maximum power in the consumption period concerned, and
- b) the applicable interruptible power.

Base power cannot be negative.

“captive interruptible power”: A customer’s interruptible power that, because of transmission system constraints, cannot be used in whole or in part by the Distributor to meet its needs.

“contribution coefficient”: A value, expressed as a percentage, which reflects the estimated proportion of interruptible power that is actually interrupted, on average, by the customer when the Distributor requires it.

“effective hours”: All hours in the consumption period concerned, without taking into account:

- December 24, 25, 26 and 31; January 1 and 2, Good Friday, Easter Saturday, Easter Sunday and Easter Monday; Victoria Day, St. Jean-Baptiste Day, Canada Day, Labour Day and Thanksgiving;
- days when the customer interrupts power in accordance with this Division;
- recovery periods in accordance with Section 221.25;
- days when there is an interruption or reduction in supply in accordance with Section 114;
- days when there is a strike at the customer’s premises, at the customer’s request, unless there has been at least one interruption period during the strike days.

“effective interruptible power”: An estimate, expressed in kilowatts, of the interruptible power that is, on average, interrupted by the customer when the Distributor requires it. This estimate corresponds to the product of the applicable interruptible power and the contribution coefficient for the consumption period concerned.

“exchange rate conversion”: The value at 1200 of one U.S. dollar expressed in Canadian dollars published by the Bank of Canada each weekday.

“failure to interrupt”: Any real power demand during an interruption period which is greater than the higher of :

- a) 105% of applicable base power; or

b) the applicable base power, plus 5% of the applicable interruptible power.

“interruptible power”: An amount of real power the customer agrees not to use during certain periods, at the request of the Distributor.

“interruption hour”: Hour during which the customer is required to interrupt power in accordance with this Division;

“interruption period”: The block of hours of interruption indicated in the notice given by the Distributor to the customer in accordance with Section 221.24 (c).

“load factor during effective hours”: The ratio, expressed as a percentage, between consumption during the effective hours and the product of maximum power and the number of effective hours in the consumption period concerned.

“maximum power”: The highest real power demand during the effective hours in the consumption period concerned.

“overrun”: The difference, for each interruption hour, between:

- a) the highest real power demand; and
- b) 105% of applicable base power.

“reference year”: The 12-month period from December 1 of one year to November 30 of the following year.

“trigger price”: The minimum price at which customers agree to participate in the Interruptible Electricity option in accordance with the conditions outlined in this Division. This price, determined by customers, has been set at 30¢/kWh for the December 1, 2003 to November 30, 2004 reference year.

221.17 Deadline for joining the program: Customers must submit their request in writing to the Distributor before November 1, indicating the quantity of interruptible power they wish to contract. The Distributor then has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer. The agreement shall come into effect December 1. In the event that the customer submits its request during the reference year, the Distributor has then a maximum of 30 days to send its decision to the customer and the agreement shall come into effect when the Distributor accepts the request.

Subdivision 2 –Credits and Conditions of Application

221.18 Commitment: The interruptible power per contract must not be less than the greater of 3,000 kilowatts or 20% of maximum contract power for the last 12 consumption periods terminating at the end of the consumption period that precedes the date of joining, but in no event must it be greater than that maximum contract power. The contractual commitment shall remain in effect for the reference year.

A customer may make just one modification to its interruptible power during the reference year. The new interruptible power must not be less than the greater of 3,000 kilowatts or 20% of maximum contract power for the last 12 consumption periods terminating at the end of the consumption period that precedes the date of receipt of the request for modification, but in no event must it be greater than that maximum contract power. The new interruptible power shall apply within a 30-day time limit. No retroactive modification is permitted.

221.19 Conditions applicable to interruptions: Interruptions made in accordance with this Division must respect the following conditions:

Advance notice (hours):	3
Maximum number of interruptions per day:	2
Minimum interval between two daily interruptions (hours):	4
Maximum number of interruptions per reference year:	20
Duration of an interruption (hours):	3 to 5
Maximum duration of interruptions per reference year (hours):	100

221.20 Setting the price: The price paid for each hour of interruption corresponds to the higher of the following:

- a) the trigger price; or
- b) $(DAM_{HQ} + TSC_{NYPA-HQ} + NTAC + SC_{NYISO}) * T - E_L$

where:

DAM_{HQ} = Day-Ahead Market price of the NYISO HQ zone for the interruption hour concerned;

$TSC_{NYPA-HQ}$ = Transmission Service Charge of NYISO applicable to export wheeling on the New York Power Authority-HQ interconnection for the current month;

$NTAC$ = New York Power Authority Transmission Adjustment Charge for the current month;

SC_{NYISO} = cost of applicable NYISO ancillary services, that is, the sum of the cost of scheduling, system control and dispatch services for the current month, the cost of reactive supply and voltage control from generation service for the current year, and the cost of operating reserve service for the preceding month;

T = exchange rate conversion published the date of the publication of the DAM_{HQ} , when that corresponds to a weekday or, if not, published the preceding weekday; and

E_L = price of energy at Rate L.

With the exception of the exchange rate conversion and the price of energy at Rate L, the data needed to establish the price paid are posted on the NYISO Internet site.

221.21 Credits applicable to the contract: The credit to which the customer is entitled for each hour of interruption in which it participates corresponds to the product of the price paid for the hour of interruption and the effective interruptible power for the consumption period concerned. The sum of the credits calculated for each hour of interruption is applied to the bill for the consumption period concerned.

No credit shall be granted for the hour for which the customer pays a penalty in accordance with Section 221.26.

221.22 Calculation of contribution coefficient: The contribution coefficient for a consumption period is calculated as follows:

$$C = [(P_{\max} - P_{\text{base}}) * LF_{\text{eh}}] / I$$

where

C = contribution coefficient;

P_{max} = maximum power;

P_{base} = base power;

LF_{eh} = load factor during effective hours;

I = applicable interruptible power.

The contribution coefficient cannot be negative.

221.23 Contribution coefficient applicable to contracts during running-in periods: If the customer is in a running-in period during the consumption period concerned, the contribution coefficient will be set on the basis of consumption data for the previous consumption period, excluding any running-in period. If the consumption data for the previous consumption period are not representative of normal operating conditions, the contribution coefficient will be set on the basis of consumption data for one or more consumption periods in the current, or previous reference year. The determination of the contribution coefficient will be the subject of a written agreement with the customer.

221.24 Choice of quantity of interruptible power: The Distributor chooses the quantity of interruptible power for each interruption period in the following manner:

- a) The Distributor randomly ranks customers' interruptible power.
- b) The Distributor excludes captive interruptible power.
- c) The Distributor selects non-captive interruptible power until all its needs are met. Priority is given to customers not chosen in preceding interruption periods.
- d) The Distributor advises verbally, by telephone, the employees designated by the customers selected, indicating the starting time and the end of the interruption period. If none of a selected customer's designated employees can be reached, the customer is deemed to have refused the interruption for this interruption period.

221.25. Recovery periods: Subject to agreement by the Distributor, the customer has the right to recovery periods. These periods may occur:

- a) between 2300 Friday and 0700 the following Monday, if one or more interruptions occurred in the 7-day period immediately preceding that weekend;
- b) between 2300 and 0700 Monday to Friday, as well as all day and night on Saturdays, Sundays and statutory holidays during one of the four consumption periods included in the reference year, or during the following year, starting either in April, May, September or October, if one or more interruption periods have occurred during the reference year.

The customer shall communicate with the Distributor by 1300 at the latest on the Thursday, or the day before the preceding workday, for the desired recovery period, in accordance with paragraph (a), and at the latest 7

days preceding the desired recovery period in accordance with paragraph (b), indicating the hourly consumption expected during the recovery period. If no notice is received, the Distributor shall consider that the customer does not wish to take advantage of this opportunity.

The Distributor shall communicate the authorization to consume to the customer by 1300 at the latest on the day of the recovery period when this starts on a weekday, or, if not, by 1300 on the preceding weekday.

The consumption during the recovery period is that which exceeds, for the consumption period concerned, the greater of the contract power in effect, or the maximum power demand recorded outside recovery periods during the consumption period concerned.

Consumption during recovery periods is billed at the hourly price of energy set in accordance with Section 192.

These recovery periods must in no case be interpreted as a limitation on the Distributor's right to use interruptible power at any time, according to the conditions set out in this Division.

221.26 Failure to interrupt: For each failure to interrupt, the Distributor shall apply a penalty on the overrun expressed in kilowatt-hours that is equal to twice the price offered during the interruption hour concerned, over and above the price of energy at Rate L billed in accordance with Subdivision 1, Division VI,

The Distributor reserves the right to terminate the customer's contract if at least 3 failures to interrupt occur in the course of the reference year.

221.27 Billing conditions for customers participating simultaneously in the Interruptible Electricity option and in Rate LR: For customers participating simultaneously in Rate LR and in the Interruptible Electricity option, the conditions described in Divisions IX and X.I apply, with the exception of the following adjustments:

- 1) in the first year of application of Rate LR, the reference consumption is increased to take into account the additional energy the customer would have consumed had there been no interruptions during the reference period;
- 2) in the first year of application of Rate LR, the reference consumption is reduced to take into account the additional energy the customer consumed during the recovery periods that occurred during the reference period;
- 3) the customer's base power corresponds to the difference between:
 - a) the higher of the maximum contract power for the last 12 consumption periods terminating at the end of the consumption period concerned and the billing demand associated with the reference consumption for the consumption period concerned; and
 - b) the applicable interruptible power.

Base power cannot be negative.

- 4) the reference consumption during the hours of interruption in which the customer participates corresponds to its base power;
- 5) the customer's maximum power corresponds to the billing demand associated with the reference consumption for the consumption period concerned;
- 6) the load factor during the effective hours corresponds to the ratio, expressed as a percentage, between the reference consumption during the effective hours and the product of maximum power and the number of effective hours in the consumption period concerned;

- 7) when a customer fails to interrupt, the Distributor shall apply a penalty on the overrun expressed in kilowatthours that is equal to twice the price offered during the interruption hour concerned, over and above the hourly energy price set in accordance with Section 192.
- 8) the recovery periods specified in Section 221.25 do not apply.