

- 1 Q. **(2018 Cost Deferral and Interim Rates Application, Revision 2)** Paragraph 29 of the
 2 Application states “*The sale of the frequency converter to Corner Brook Pulp and*
 3 *Paper (CBPP) was approved by the Board in Order No P.U. 26(2018).* Please quantify
 4 the impact on the rates of each Island customer class resulting from the sale of the
 5 frequency converter to CBPP.
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 8 A. Table 1 provides estimates of the customer class impacts of the reallocation of costs
 9 as a result of the sale of the frequency converter. The estimated impacts in dollars
 10 and % of annual revenue requirement exclude the direct impact on Corner Brook
 11 Pulp and Paper of the reduction in the specifically assigned charge.

Table 1: Frequency Converter Cost Reallocation

Customer Class	2018 Test Year	2019 Test Year
Newfoundland Power	\$261,000 (0.06%)	\$462,000 (0.1%)
Island Industrial	\$20,000 (0.05%)	\$35,000 (0.09%)