

1 Q. Re: Pre-filed Testimony of Mr. P. Bowman, page 37, lines 5-13:

2 "The gross asset value of the frequency converter is quoted at \$10.763 million
3 at IC-NLH-103 Attachment 1, which is approximately equal to the amount
4 spent to date on residential CDM, which is funded by the entire grid (\$10.589
5 million by 2019). The difference is that residential CDM benefits provincial
6 power supply by only 11,366 MWh, while the frequency converter enables 14
7 times this much power (158 GW.h) to avoid being bottled up to low value uses
8 (heat). While this comparison is not entirely apples-to-apples, it underlines that
9 the function of the frequency converter (Increased net availability of 60 Hz
10 power to serve customers) is not different than the CDM programming, but at
11 a far more effective investment profile for grid customers."

12 Please explain why the value of power that flows through the frequency
13 converter and is used for on-site bill reduction is a valid comparison with CDM
14 expenses which reduce costs for all customers.

15 A. CDM is an "on-site bill reduction program" for the participating customer, which
16 simultaneously means that less Holyrood generation is required on the system
17 (which reduces costs for all customers as long as the investment in CDM does not
18 exceed the Holyrood savings). In this manner the issues of the frequency converter
19 are identical.