

Q. (Re: p.7, lines 8-9)

How would ACI suggest the additional revenue requirement of \$4.8 million be collected if a freeze on industrial rates was implemented?

A. ACI suggests that an additional revenue requirement of \$4.8 million from industrial customers is not required. For example, \$1.5 million of this \$4.8 is due to the Great Northern Peninsula being connected to the island Interconnected Grid. ACI does not agree that Industrial Customers should pay \$1.5 million a year for an interconnection that benefited residents of the Great Northern Peninsula.

Furthermore, in many industries, price increases cannot be passed on to customers. Industry is then forced to look for other efficiencies within their own organization or face a reduced profit level.