

1 Q. What are Hydro's contractual/regulatory obligations relating to connection
2 facilities, and more specifically, the CBPP frequency converter; i.e., what liabilities
3 would Hydro face if it did not maintain the frequency converter?
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6 A. Hydro's obligations as to the frequency converter are both general (with regard to
7 its duties to provide reliable service) and specific (arising from its Service
8 Agreement with CBPP.)
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10 Hydro has general duties to provide reliable service with respect to the frequency
11 converter and otherwise. These arise from the *Public Utilities Act*. The duty to
12 maintain assets that provide service to customers in good and reliable working
13 order applies to all assets, regardless of whether they are assigned common or as
14 specifically assigned. Subsection 37(1) reads:
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16 **37.** (1) A public utility shall provide service and facilities which are
17 reasonably safe and adequate and just and reasonable.
18

19 There are also specific power and energy billing provisions pertaining to the
20 frequency converter in the Service Agreement. If there is an outage to the
21 frequency converter, Hydro is obliged to provide, without a demand charge, the
22 amount of power that CBPP could not convert from 50 Hz to 60 Hz due to that
23 outage. However, the Service Agreement does not provide free replacement
24 energy arising from a frequency converter outage; that energy is treated and billed
25 as "Firm Energy".