Q. (GRA, Volume II, Exhibit 4 – Corner Brook Pulp & Paper Generation Credit, pages 12 and 13)
What are the projected annual savings going forward to CBPP, the ICs and NP resulting from the change in operation of CBPP generation based on the 2013 cost of service both in total Dollars and average rates in cents/kWh?

A. The potential benefit of the change in operation of the CBPP generation has not been included in the 2013 Cost of Service as this is a pilot arrangement which still requires approval from the Board before being permanently implemented. The potential annual savings through the 2013 Cost of Service, which could be realized through increased efficiency of the CBPP generation, is illustrated in Table 7 on page 13 of the Exhibit. The table on the following page provides a summary of the benefit in total dollars and average rates in cents/kWh across the rate classes. It should be noted that the loss factor is changed in this table to 3.36% (from 3.6% in the Exhibit) as this reflects the average system loss factor in the GRA.

CBPP Generation Credit
Load Reduction Impacts

Based on 2013 Load

	Existing (MWh Required)	Load Adjustment[1]	Revised (MWh Required)
Newfoundland Power	5,594,300		5,594,300
Industrial - Firm	408,400	(3,600)	404,800
Industrial - Non-Firm	-		-
Rural	447,300		447,300
Losses	230,800	(121)	230,679
Total	6,680,800	(3,721)	6,677,079

	Existing COS Costs ($000)	Cost Savings[2]	Revised COS Costs ($000)
Estimated Energy Costs	308,208	(661)	307,547

Cost Allocation	Dollars ($$$)	Rate[3] (cents/kWh)	Savings	Dollars ($$$)	Rate (cents/kWh)
Newfoundland Power	267,319	4.778	(424)	266,895	4.771
Industrial - Firm	19,515	4.778	(203)	19,312	4.771
Industrial - Non-Firm	-	-	-	-	-
Rural	21,374	4.778	(34)	21,340	4.771
Total	308,208		(661)	307,547	

Note 1: Energy benefit of 3.60 GWh plus losses of 3.36%

Note 2: Holyrood Costs Savings (3.60 GWh @ 3.36% losses, 612 kWh/bbl, $108.74/bbl)

Note 3: The rate is calculated by dividing the customer allocation ($) by the customers load (kWh)