

1 Q. Section 7 Corner Brook Pulp and Paper Frequency Converter page 49, lines 23
2 to 24 and page 50 lines 1 to 2: Has CBPP undertaken any recent studies (i.e., in
3 the past 10 years), including cost benefit analysis, regarding the frequency
4 conversion of its remaining 50 Hz generating assets in order to utilize some of the
5 power that is trapped and unavailable for Corner Brook Mill use and potentially
6 spilled or used for "lower value" purposes? If so, when was the last study carried
7 out? If not, why not?

8 A. The questions NLH-IC-6 through 8 request extensive and highly technical data
9 that is not available to InterGroup, and cannot be compiled by CBPP without
10 considerable further time and effort.

11 The questions seek data that is not generally filed with, or relevant to, General
12 Rate Applications. The data, however, would be of high value to any discussion
13 or engagement by Hydro and CBPP in exploring options for maximizing the
14 potential of Deer Lake and Watson's Brook generation to the overall Island
15 Interconnected System. For example, if the combined technical resources of
16 Hydro and CBPP were able to conclude that there were viable economic options
17 for converting any substantial quantity of 50 Hz generation to 60 Hz, this could
18 provide significant added energy to the Island Interconnected System, reduce the
19 pressures to push the frequency converter to its full design capacity, and help
20 offset notable quantities of Holyrood generation, potentially in the range of, if not
21 materially exceeding, the scale of many of Hydro's CDM programs. This type of
22 System Supply Enhancement (SSE) are often included as part of DSM/CDM
23 programming.

24 Corner Brook Pulp and Paper has not completed any studies to test the
25 economics of converting 50Hz generation assets to 60Hz for approximately 10
26 years (and that review was of a narrow scope). It remains a concept that
27 InterGroup understands is of interest to the customer. As a CDM opportunity, the
28 option should be given serious review, particularly given that costs of both power
29 and Holyrood fuel have increased markedly, as have the costs of maintaining
30 and refurbishing the frequency converter to the full nameplate capacity.