

1 Q. (2018 Cost Deferral and Interim Rates Application) Paragraph 29 of the Application
 2 states “The sale of the frequency converter to Corner Brook Pulp and Paper (CBPP)
 3 was approved by the Board in Order No P.U. 26(2018). Please quantify the changes
 4 to CBPP load and generation as a result of this transfer and provide a description of
 5 how this impacts the availability of capacity assistance from CBPP. What is the
 6 status of negotiations with CBPP on a new power purchase contract?
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9 A. The sale of the frequency converter to CBPP does not have any impact on CBPP’s
 10 load and generation, except that this unit is now customer-owned.
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12 The changes to CBPP load and generation profile result from its conversion project
 13 to convert one of its 50 Hz machines and one of its 66 kV transmission lines at Deer
 14 Lake from 50 Hz to 60 Hz. A summary of those changes are detailed in Tables 1 and
 15 2 below.¹

Table 1 - CBPP Mill Load & Generation (MW) – Present Day

	60 Hz	50 Hz
Load Forecast in the Mill	101	12
Available from CBPP Hydraulic at full flow	81	46 ²
Surplus/Shortfall	-20	37
Frequency Converted ³	18	-19
Net Surplus/Shortfall	-2	18
<i>Power on Order from Hydro</i>	8	
<i>Unused/Used for Steam Boilers</i>		18

¹ These tables are included in Schedule 1 to Hydro’s June 28, 2018 application for approval of the sale of the Corner Brook frequency converter to Corner Brook Pulp and Paper Limited.

² All units in full operations would be 56 MW, but three units presently de-rated by a total of 10 MW

³ The frequency converter typically loses 1 MW during the conversion process, i.e., 2 MW [50 Hz] = 1 MW [60 Hz].

**Table 2 - CBPP Mill Load & Generation (MW) –
Post Phase 1 of Conversion Project (Forecast)**

	60 Hz	50 Hz
Load Forecast in the Mill	99	8
Available from CBPP Hydraulic at full flow	104	36
Surplus/Shortfall	5	24
Frequency Converted	1	-2
Net Surplus/Shortfall	4	22
<i>Power on Order from Hydro</i>	8	
<i>Unused/Used for Steam Boilers</i>		22

1 On November 2, 2018, Hydro filed an application for approval of an amended and
 2 restated capacity assistance agreement with CBPP for up to 105 MW, replacing the
 3 previous agreement for 90 MW. This additional capacity is available as a result of
 4 CBPP's conversion project and its modifications to its operations that enable it to
 5 further reduce mill essential services load.

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7 Hydro has proposed to discontinue the generation credit agreement between
 8 Hydro and CBPP upon full commissioning of the Muskrat Falls Project. However,
 9 Hydro believes CBPP should have the opportunity to manage its generation as
 10 efficiently as possible and, to that end, proposes to work with CBPP in the rate
 11 design review planned for 2019 to develop a proposal to achieve this objective.