

- 1 **Q. (Schedule B, (clause 9 (k)) Does the reduction in the monthly demand charge for**
 2 **customers who own their transformers reflect the savings to NP of owning and**
 3 **operating such facilities itself?**
 4
- 5 A. Yes, the reduction in the monthly demand charge for customers who own their
 6 transformers does reflect the savings to NP of owning and operating such facilities itself.
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- 8 Newfoundland Power completed a preliminary assessment of the range of savings the
 9 Company incurs when a customer installs its own transformer.¹ Table 1 provides a
 10 comparison of the current demand credit and a range of savings that Newfoundland
 11 Power may incur.

Table 1
Comparison of demand charge credit to savings to Newfoundland Power

	4kV – 25kV	33kV – 138kV
	\$/kVA billing demand	\$/kVA billing demand
Demand Charge Credit	\$0.40	\$0.90
Savings (2018)	\$0.25 – \$0.50	\$0.80 - \$2.70

¹ The estimates are based on the costs avoided by the Company using 2018 cost estimates.