

1 Q. (a) What measures is NLH taking to stop any further rapid increase in the

2 RSP balance?

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4 (b) Specifically, if there are further increases in oil prices, what

5 mechanisms does NLH have in place to take immediate actions to

6 reduce No.6 fuel consumption?

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9 A. (a) The RSP is being operated in accordance with the Board approved

10 methodology outlined in P.U. 7 (2002-2003).

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12 (b) There are no mechanisms in place to reduce No/ 6 fuel consumption

13 based on oil price changes. Holyrood thermal production is essential

14 to meet Island Interconnected load and is being operated as the most

15 cost effective means to meet those requirements.