

1 Q. Please explain the comment at page 14 of exhibit JRH-3 that “the existing
2 system requires approximately 16%, or 300 MW, of reserve capacity to meet
3 the established planning criteria” in light of the fact that the established
4 planning criteria is based on LOLE of 2.8 hours. Are these two measures
5 basically equivalent?
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8 A. The 16%, or 300 MW of reserve capacity is the result of analysis to
9 determine the load carrying capacity of the system as it relates to the
10 capacity planning criteria of 2.8 hours/year.
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12 Under the current mix of generation assets, the expected performance of
13 those assets, and the shape of the forecast load in 2004, the reserve
14 capacity in the system at the point when the 2.8 hours/year criteria is
15 exceeded is approximately 16%. Under these conditions the 2.8 hours/year
16 and 16% reserve are approximately equivalent. As conditions change (load
17 shape, installed capacity and/or equipment performance) the reserve
18 capacity required to meet the 2.8 hours/year capacity planning criteria will
19 also change.