

1 Q. Please explain in detail all assumptions used in the 2004 COS to determine
2 the fuel costs for the gas turbine and diesel generators on the Island
3 Interconnected System. Include all assumptions regarding number of kW.h
4 generated, number of hours run for each unit type.

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7 A. The gas turbine and diesel generation fuel costs are based on site specific
8 fuel costs and nominal unit fuel to energy conversion factors. Operation at
9 rated unit output for two hours per month is assumed for testing to ensure
10 unit availability. The monthly energy forecast for each plant is as follows:

Holyrood Gas Turbine	20 MWh
Stephenville Gas Turbine	100 MWh
Hardwoods Gas Turbine	100 MWh
Hawkes Bay Diesel	11 MWh
St. Anthony Diesel	17 MWh
Roddickton Mobile Diesel	2 MWh

11 A nominal additional amount of 20 MWh in January of 2004 is assumed from
12 the Hardwoods gas turbine to account for some peaking operation.