

1 Q. Please describe the general methodology used to calculate the energy
2 source conversion factors used in the Industrial Non-Firm rate schedule. For
3 each conversion factor, please include a breakdown of (i) fixed and / or
4 capital costs, (ii) long run incremental costs, (iii) short run incremental costs,
5 (iv) other retail or general costs.

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7 A. The energy source conversion factors used in the Industrial Non-Firm rates
8 are the fuel to energy conversion factors for those facilities. The conversion
9 factor for Holyrood is the historic average factor determined as shown in
10 response to NP-74 NLH. The conversion factor for the gas turbines is the
11 conversion factor used to estimate fuel usage by gas turbine for budgeting
12 purposes. It is a value that can be achieved by the units when running
13 continuously. The conversion factor for the diesel generators is based on the
14 level achieved by the St. Anthony diesel plant when it was in continuous
15 operation.

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17 These conversion factors are for fuel costs only and do not include any
18 factors other than an estimate of short run incremental fuel usage.