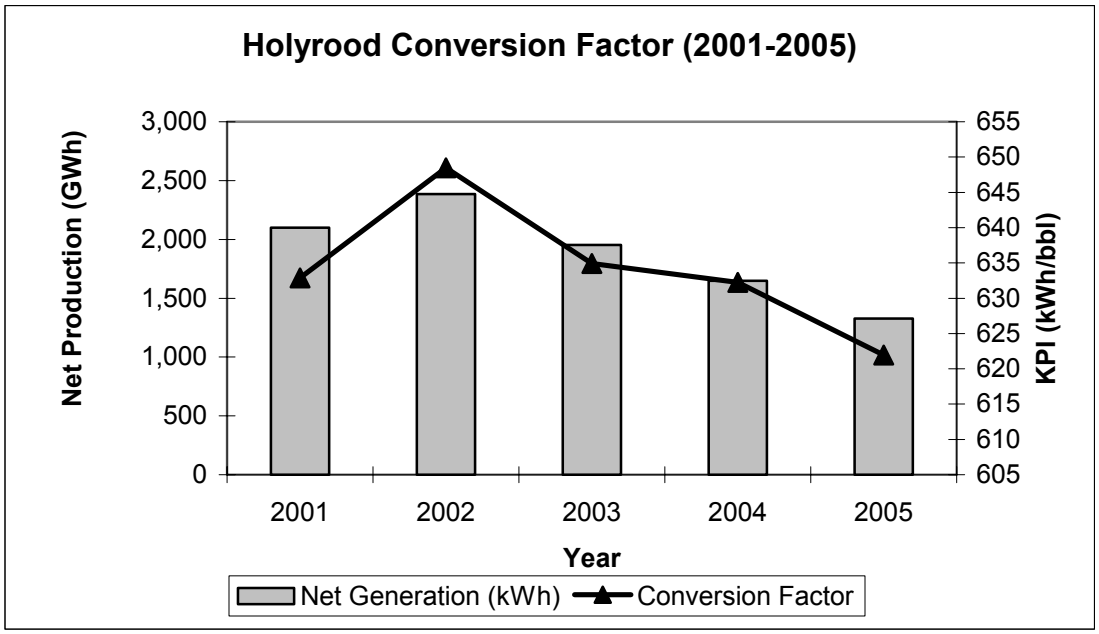
Q. With respect to the 2005 Key Performance Indicators report, please provide the net thermal generation and fuel information used to calculate the Thermal Conversion factor metric for 2001 through 2005 on page 14 of the report. Please describe all operation measures Hydro can take to improve its thermal conversion factor.

A. The net thermal generation and fuel information used to calculate the Thermal Conversion Factor metric for 2001 through 2005 is as follows:

Year	Net Generation (MWh)	Fuel (barrels)	KPI (kWh/bbl)
2001	2,098,490	3,315,853	633
2002	2,385,262	3,678,183	648
2003	1,952,037	3,074,461	635
2004	1,647,567	2,605,818	632
2005	1,328,585	2,136,109	622



Efforts to improve the conversion factor fall into one of two general categories – system dispatch decisions and within plant optimization. With respect to system dispatch decisions, the conversion factor is generally improved by increasing the average unit load on the machines. With respect to within plant optimization, the measures that can be taken to improve the net conversion factor are:

- prudent auxiliary power consumption;
- heat exchanger maintenance/cleaning;
- annual and corrective maintenance programs (e.g. boiler overhauls);
- maintaining efficiency of major equipment (e.g. boiler feed pump, routine furnace and air heater cleaning and monitoring); and
- efficient use of plant systems.