1 Q. Please reconcile Holyrood conversion factors, both actual and predicted, in NP-NLH-

2 193 and NP-NLH-193 (Revision 1, Nov 28-14). Please explain any differences.

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5 A. In Hydro's response to NP-NLH-193, the predicted gross fuel conversion rate was

6 determined using a regression model that employed a single input variable. The

7 output was then adjusted for actual station service performance in each of the

8 years. The model is not intended to be a "perfect" predictor and inherently there

9 will be differences between actual and predicted. Therefore, Hydro is not able to

10 reconcile the same. It is noted however that the correlation in the earlier years of

11 the table in NP-NLH-193 is much closer than in the later years. In the later years,

12 the conversion rate was influenced by declining heat content in the No. 6 fuel

13 consumed at the Holyrood plant. In its Amended Application, Hydro incorporated

14 heat content as a second variable in the regression analysis to reflect another

15 important variable in determining fuel conversion rate. Again, there are differences

16 between the actual and predicted conversion rates in the table included in NP-NLH-

17 193 (Revision 1, Nov 28-14), due to the inherent inaccuracies of the model.