

1 Q. Further to response to Request for Information NP-NLH-011, Attachment 1, Page 5
2 of 8:

3 The forecast Holyrood production is 1,428.9 GWh, which is approximately 25%
4 higher than the 2013 Test Year forecast of 1,127.4 GWh. However, the forecast
5 Holyrood conversion factor increased by only 0.5%. Please provide the calculation
6 of the 2014 forecast conversion factor and explain the assumptions for loading and
7 operating hours which were used in the calculation.

8

9

10 A. Table 1 outlines the assumptions for Holyrood unit loading and operating hours []
11 for the Test Years 2013, 2014 and 2015.

12

13 []

14

15 The assumptions for 2014 are based on actual data to the end of May and a
16 forecast for the remainder of the year. The fuel conversion rates for the forecast
17 period of 2014 were estimated monthly, in light of Hydro's high reservoir storage
18 conditions and the expectation of minimum operating requirements at Holyrood
19 (operating only as required for Avalon and System peak support) and in
20 consideration of the performance during the same month in the previous year.

21

22 The calculation and methodology supporting the proposed conversion factor for
23 2015 is presented in Hydro's revised response to NP-NLH-069.

Table 1

	2013 Test Year	2014 Test Year			2015 Test Year		
		YOY ¹		YOY %	YOY		YOY %
		Forecast	Increase (Decrease)	Increase (Decrease)	Forecast	Increase (Decrease)	Increase (Decrease)
Holyrood Net Production (GWh)	1,127	1,373	246	21.8	1,593	220	16.0
Unit Operating Hours	12,890	16,260	3,370	26.1	14,540	(1,720)	(10.6)
Unit Net Average Loading (MW)	87.47	84.44	(3)	(3.5)	109.57	25	29.8
Fuel Conversion Rate (kWh/bbl)	612	588	(24)	(3.9)	607	19	3.2

Note 1: Year over Year

[]

Holyrood energy production is forecast to increase by more than 20% in 2014 when compared to the 2013 Test Year. However, the fuel conversion rate is forecast to decrease by nearly 4%. This is due, in part, to the increased Holyrood unit hourly operating requirements and the decrease in unit average loading. Unit operating hours are forecast to increase by more than 25%, primarily due to increased transmission support requirements for the Avalon Peninsula during the summer. The summer peak load will be higher than the thermal rating of the transmission system under contingency operation of the forced outage of one transmission line, after dispatch of all gas turbines on the Avalon Peninsula and increased output of NP's hydraulic generation. Another contributor to the lower fuel conversion rate in 2014 is the consideration of actual performance over the past 12 months. As outlined in Section 2.6.1 of the evidence to Hydro's Amended Application, there has been a decline in fuel conversion performance in recent years, primarily owing to the deterioration in fuel heating content.

Holyrood energy production is forecast to increase by more than 15% in 2015 when compared to the 2014 forecast. The number of unit operating hours is forecast to

1 decrease by more than 10%.¹ With the increase in energy requirements and
2 decrease in operating hours, the unit average loading is forecast to increase by
3 nearly 30%. This is the primary driver of an increase in forecast fuel conversion rate
4 by 19 kWh/bbl or 3% in 2015.

¹ This is owing to the new Holyrood CT which will help reduce the number of hours that Holyrood units are required to be on-line, at minimum operation, in order to be able to respond to a system contingency.