

1 **Q. In reference to Section 4.1 (Holyrood Capacity Factor) on page 18, lines 19-20, of**  
2 **your pre-filed evidence you state: "Using Hydra's forecast Holyrood capacity factor**  
3 **of 39% would reduce the 2015 Test Year costs allocated to Newfoundland Power by**  
4 **\$228, 000." Other than reducing NP's allocated cost, are there other reasons**  
5 **supporting your recommendation to use 39% for the Holyrood capacity factor**  
6 **instead of 28% used by Hydro in the 2015 cost of service study. Please explain your**  
7 **response in detail.**

8  
9 **A.** Mr. Brockman recommends using a Holyrood capacity factor of 39% for the 2015 test  
10 year because it appears, on the basis of historical and forecast Holyrood capacity factors,  
11 that the proposed capacity factor of 28% is not representative of conditions likely to  
12 occur in the test year.

13  
14 The following information supports Mr. Brockman's recommendation:

- 15 1. Hydro's forecast of the Holyrood capacity factor for 2015 is 39%.<sup>1</sup>  
16 2. The historical values upon which the calculation of the 5-year historical average  
17 capacity factor of 28% is based appear to be abnormal.<sup>2</sup>  
18

19 The \$228,000 reduction in the 2015 test year costs allocated to Newfoundland Power was  
20 noted in Mr. Brockman's evidence to illustrate the materiality of the recommended  
21 change.

---

<sup>1</sup> See Hydro's Amended Evidence, Table 4.4, page 4.16.

<sup>2</sup> Ibid.