

1    Q.    Further to response to Request for Information NP-NLH-069:  
2        Please explain how the regression model used to derive the 2013 Test Year  
3        Holyrood fuel conversion factor of 612 kwh/bbl has been adjusted to reflect  
4        efficiency initiatives quantified in NP-NLH-191. If no adjustment has been made,  
5        please explain why not.

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8    A.    The regression model used to derive the 2013 Test Year Holyrood fuel conversion  
9        factor uses gross fuel conversion experience, and results in a gross fuel conversion  
10      estimate. Therefore improvements to station service would not necessitate a  
11      regression model adjustment. The fuel conversion estimate for 2013 reflects the  
12      completed efficiency initiative, in that this initiative may have influenced the actual  
13      station service consumption since its completion. Hydro has used the actual station  
14      service experience from 2008 to 2012 to derive the net fuel conversion factor used  
15      in the 2013 Test Year.

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17      Upon completion of the *Variable Frequency Drives on Forced Draft Fans* project an  
18      analysis will be undertaken to determine what adjustments are required to the  
19      station service estimate to reflect future performance improvements resulting from  
20      this initiative. It is expected that the benefit of this project will not begin to be  
21      realized until the late 2014 or early 2015 time frame.