

1 Q. Re: 2012 Capital Plan

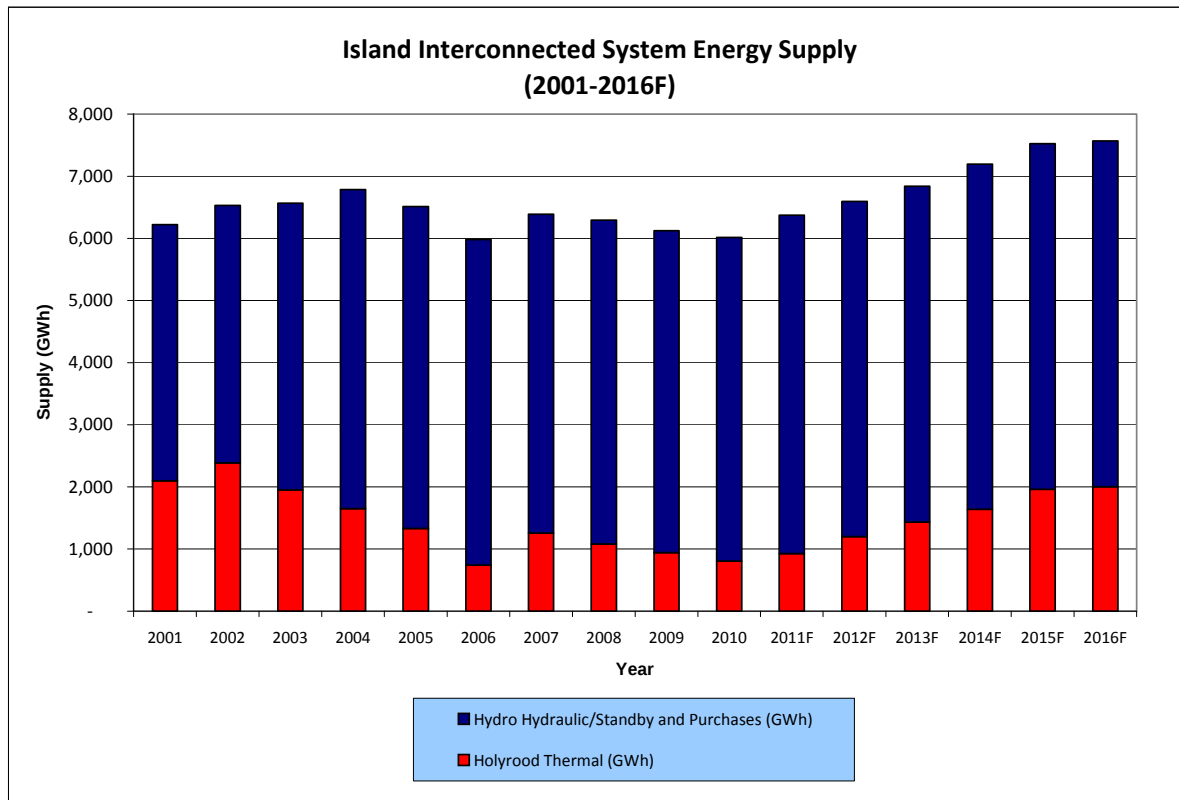
2 At page 18, paragraph 2, it is outlined that, " Over the past several years, industrial
3 demand has declined from the closure of two paper mills and a reduction at a third,
4 however there is substantial growth occurring particularly on the Avalon Peninsula,
5 which is expected to cause demand to climb back to historical levels and beyond."
6 Please provide all information relied upon for determining that demand will
7 increase to historical levels and beyond. What "historic levels" are Hydro referring
8 to?

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11 A. The basis of the discussion regarding Holyrood Generating Station Requirements for
12 the period 2011 to the time of the proposed Labrador Interconnection is Hydro's
13 December 15, 2010 five-year Operating Load Forecast (OLF). The hydraulic
14 generation forecast is determined by Hydro's Water Management application –
15 VISTA. Holyrood production is scheduled to supply the balance of system load not
16 met by hydraulic generation, standby generation, and energy purchases/receipts.

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18 A chart illustrating the total Island Interconnected System Energy Supply with
19 actuals from 2001 to 2010 and forecast requirements from 2011 to 2016 is found
20 on Page 2. The historic levels that Hydro is referring to are levels of Holyrood
21 production similar to the period of 2001 to 2004, prior to the cessation of paper mill
22 operations at Stephenville and Grand Falls and the shutdown of paper machines at
23 Corner Brook.



- 1 It should be noted that Hydro's hydraulic energy supply capability is subject to inflow
- 2 conditions that can vary substantially from year to year. During a repeat of the critical dry
- 3 sequence, annual required production from Holyrood would be significant, up to 3,000
- 4 GWh per year, the maximum capability of the plant.