

1 Q. (Re: October 2014 Evidence submitted as part of Application) On page 4 lines 15 to  
2 16, it is stated that only the fuel costs for testing the diesel and gas turbine units is  
3 included in the test year. Given that a GRA is expected to cover a 3-year period or  
4 more, why are there no fuel costs beyond testing included in the GRA; i.e., fuel to  
5 supply some average annual production based on historical experience?  
6  
7

8 A. Diesel and gas turbine generation production forecasts are derived from two Island  
9 Interconnected System requirements, peaking energy requirements and monthly  
10 readiness testing. Peaking requirements for the diesel and gas turbines units are  
11 determined based on average forced outage rates for the Holyrood thermal units  
12 and Hydro's hydraulic units, and in consideration of the peak load forecast and  
13 Hydro's typical load shape. Also, the diesel and gas turbine production forecast  
14 assumes that each plant is exercised at rated output on a monthly basis for testing  
15 and ensuring availability.  
16

17 For the 2007 Test Year (the test year on which current rates are based), the diesel  
18 and gas turbine units were not forecast to be required to satisfy the Island  
19 Interconnected System peaking requirements. Thus, the production forecast only  
20 reflected the requirement for regular testing.