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

A. As indicated in Hydro's revised response to NP-NLH-069, the regression model used to derive the 2015 Test Year Holyrood fuel conversion factor uses gross fuel conversion experience, and results in a gross fuel conversion estimate. Therefore, improvements to station service would not necessitate a regression model adjustment. The fuel conversion estimate for 2015 reflects the completed efficiency initiative, in that this initiative may have influenced the actual station service consumption since its completion. Hydro has used the five-year actual station service experience from June 2009 to May 2014 to derive the net fuel conversion factor used in the 2015 Test Year.

To date there have been two installations completed under the *Variable Frequency Drives (VFD) on Forced Draft Fans* project. Unit 3 VFD installation was completed in July 2014 and Unit 1 VFD was installed in December 2014. Although some preliminary data has been gathered, the dataset is still limited and one VFD remains to be installed, therefore a full analysis has yet to be completed to determine what adjustments are required to the station service estimate to reflect future performance improvements resulting from this initiative. [ ] It is anticipated that Unit 2 VFD installation will be completed prior to the time the unit is placed into operation during the fall of 2015.