

1 Q. With reference to IC-NLH-007, if the dotted black line is not a reasonable minimum
2 storage level consistent with energy security, please provide a version of slide 28
3 that shows a dotted line consistent with Hydro's interpretation of a reasonable
4 minimum level of energy security for 2016. Please provide a full quantification of
5 the risks and likelihood of insufficiency of supply associated with the dotted line
6 plotted.

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9 A. The minimum storage targets shown on the slide in question were the minimum
10 storage levels for 2015 and were reflective of Hydro's determination of the
11 reasonable minimum storage level consistent with energy security for last year.
12 The targets will vary each year based on the load forecast, plant availability, and
13 other system conditions. The targets for 2016 are included in Hydro's response to
14 NP-NLH-002. Further information about derivation of the curves is included in
15 Hydro's response to IC-NLH-007.

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17 Simulations run to create the storage targets make assumptions based on the best
18 information at the time about the load forecast, historic hydrology and generating
19 plant availability and it is possible that actual conditions may be worse than
20 assumed. The methodology used in generating the curve attempts to balance a
21 level of conservatism required to reduce the risk of supply disruptions, while not
22 leading to excessive use of thermals and the associated cost.