

1 Q. Describe the actions taken by Hydro during the three months prior to the  
2 generation shift of January 4, 2016 noting any discrepancies with Vista  
3 recommendations.

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6 A. At the end of spring freshet period in 2015, Hydro's storage position was quite  
7 favorable. There was water spilled in May and June from several reservoirs  
8 because all reservoirs were full and unable to store additional inflow. Hydro used  
9 this favorable reservoir position to optimize its hydroelectric generation and to  
10 minimize thermal production with the benefit passed on to rate payers through  
11 the Rate Stabilization Plan (RSP). Reservoir storages remained favorable in the  
12 latter half of 2015 so Hydro was able to continue to minimize Holyrood production,  
13 again to the benefit to customers.

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15 A review of Hydro's weekly generation guidelines containing the Vista results  
16 confirms that Vista recommended Holyrood generation be maintained at the levels  
17 required for system and Avalon reliability throughout the final quarter of 2015.  
18 The emphasis in the guidelines was on balancing storages in the reservoirs and  
19 reducing the possibility of additional spill. The first changes to operation related to  
20 low reservoir storage positions was on December 15, 2015 when generation at  
21 Upper Salmon was increased to move more water down into Long Pond. On  
22 December 21, 2015, generation at Hinds Lake was increased to reduce generation  
23 at Long Pond and preserve the water in storage.

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25 On January 4, 2016, due to the continued decline of storage levels and the lack of  
26 precipitation, Hydro's water management application VISTA recommended that  
27 Holyrood be moved off minimum generation. Since 2009, Hydro's reservoir

1 position has been quite favorable which has allowed for minimum Holyrood  
2 production since that time. The last time that Hydro increased thermal production  
3 for this purpose was in 2008.