

1 Q. Please provide the forecast variable fuel cost per kW.h for 2003 for gas
2 turbines? Is it reasonable to assume that NP's variable cost per kW.h to
3 generate with gas turbines is comparable to Hydro's?

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6 A. The forecast variable fuel costs for the gas turbines in 2003 is \$0.0917/ kWh.
7 It is reasonable to assume that the Newfoundland Power variable fuel cost
8 will be similar. As shown in the response to IC-295 NLH, Hydro's fuel costs at
9 the start of 2003 were low relative to Newfoundland Power's due to Hydro's
10 low inventory cost.