

1 Q. Roberts, Schedule II - please provide all details and rationales as to why the  
2 sum of Number 6 fuel cost and RSP in 2002 was approximately \$15.5 million  
3 less than forecast in the 2002 GRA. Include the quantitative impact on 2002  
4 fuel costs for each reason given.

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7 A. The primary reason why the actual No. 6 fuel cost for 2002 was  
8 approximately \$15.5 million less than that forecast in the 2002 final test year  
9 revenue requirement is that for the first 8 months of the year the RSP was  
10 stabilized at the 1992 price of \$12.50 per barrel. This resulted in \$29.1  
11 million being charged to the RSP. This was offset by the fact that thermal  
12 production and therefore consumption of No. 6 fuel was higher than forecast.  
13 The impact of this hydraulic variation was an increase in fuel cost of \$19.7  
14 million. Finally, the actual conversion factor experienced at Holyrood was  
15 higher than forecast resulting in an additional saving of \$6.1 million.