

1 Q. With regard to the response to CA 61 NLH (d), please provide a breakdown
2 of the forecast \$5 million increase in the cost of fuel in terms of the number of
3 barrels forecast to be consumed and the average price per barrel for each of
4 the years 2005 through 2010.

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7 A. The five-year fuel difference of approximately \$5 million is comprised of
8 changes in Island Interconnected and Isolated Systems fuel:

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Rural Fuel Expense \$ millions							
	Actual 2005	Forecast					5-Year Difference
		2006	2007	2008	2009	2010	
Island Interconnected:							
Holyrood	80.9	123.0	120.8	130.6	132.9	139.7	
Gas turbines and diesel	0.3	0.4	0.4	0.6	0.6	0.8	
	81.2	123.4	121.2	131.2	133.5	140.5	
Rural energy ratio	6%	6%	6%	6%	6%	6%	
Rural Island Interconnected Fuel	5.0	7.7	7.5	8.1	8.1	8.5	3.5
Isolated Systems	9.5	10.8	10.5	10.4	10.5	10.6	1.1
Total Rural Fuel	14.5	18.5	18.0	18.5	18.6	19.1	4.6

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12 The 2006 forecast increase in Isolated Systems diesel fuel expense is
13 primarily due to the forecast acquisition of Natuashish (\$1.6 million).

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15 Forecast fuel prices were derived from the PIRA Energy Group's Short-Term
16 Oil Price Forecast of October 28, 2005 and its Long-Term Oil Price Forecast
17 of September 21, 2005, Revised. Prices and quantities are shown in the
18 following table. Average cost per barrel for No. 6 (Holyrood) fuel reflects the
19 combined impacts of opening inventory price and quantity and fuel
20 purchases for the year.

Fuel Prices and Quantities

	Actual	Forecast				
	2005	2006	2007	2008	2009	2010
No. 6 1% sulphur content						
Average purchase price (\$/bbl)	42.65	45.00	45.15	47.45	48.05	48.35
Average cost per barrel (\$/bbl)	37.59	48.64	44.63	47.06	47.95	48.31
Number of barrels (000)	2,136	2,524	2,703	2,773	2,769	2,889
No. 2						
Average cost (\$/litre)	0.664	0.648	0.625	0.614	0.609	0.609
Number of litres (000)	14,262	16,324	16,536	16,687	16,849	17,032