

1 Q. With regard to the Haynes/Henderson/Cater evidence (page 34, lines 19 to  
2 25), what is the current and forecast cost of 1%, 2.0% and 2.2% sulphur  
3 fuel? Please provide the latest fuel price forecast of the PIRA Energy Group  
4 upon which Hydro does planning.

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7 A. As of September 15, 2006 the current prices for fuel oil are presented below.  
8 Due to current fuel oil market conditions, the low sulphur price premium has  
9 temporarily collapsed.

	<b>No. 6 2.2%s</b>	<b>No. 6 2.0%s</b>	<b>No. 6 1.0%s</b>
US Dollars/BBL	\$39.38	\$39.38	\$39.38
CDN Dollars/Barrel	\$44.09	\$44.09	\$44.09

8 Hydro's current planning forecast for oil prices for 2007 is presented in  
9 Regulated Activities: Evidence page 34, lines 20-21. Hydro expects to update  
10 its planning fuel price forecast in early October 2006 based on the PIRA  
11 Energy Group's latest market outlook. This fuel price forecast update shall  
12 estimate the fuel rider for industrial customers for 2007. Hydro is prepared to  
13 update the final Cost of Service with the fuel projections approved by the  
14 Board.