

1 **Q. Please provide marginal production costs for NP thermal generating units in**
2 **cents/KWh.**

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4 A. The marginal production cost for the individual thermal units is a function of the level of
5 production and the duration of the production from the thermal generating units.

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7 In IC-43 NLH, Hydro provided energy and cost data for Newfoundland Power thermal
8 generation that operated for an extended period of time on January 23, 2006. It is
9 reasonable to assume that if additional capacity is required on peak, generation costs
10 would be similar to those experienced on January 23, 2006. On that day 385,393 kWh of
11 energy was produced at a fuel cost of \$83,452. On that basis, the average marginal cost
12 for Newfoundland Power's thermal generation was \$0.217 per kWh. This cost includes
13 all fuel consumed at an average fuel price of 53.7 ¢/litre.