

1 Q. With respect to the fuel amounts included in the calculation of rate base on
2 Schedule III of Mr. Bradbury's evidence (page 1 of 2) please indicate how
3 these amounts are determined on a forecast basis and provide a schedule
4 detailing the forecasts by fuel type and location.

5

6

7 A. Hydro forecasts the 13-month average ending inventory balances for No. 6
8 and gas turbine fuel using fuel and consumption forecasts. Diesel fuel
9 inventory is forecast using the most recent year's actual monthly inventory
10 quantities and forecast fuel prices for the test year. Additives and lubricants
11 are forecast based upon the 13-month average ending balance of the most
12 recent complete year of actual results. Please see attached schedules for
13 details of forecast by fuel type and location.

14

15 Note that the diesel fuel inventory projection on page 2 of 2 of Attachment 1
16 was prepared using an average forecast diesel price of \$0.584/litre. The
17 correct average forecast price is \$0.695/litre. Therefore the average fuel
18 inventory balance in ratebase for 2007 as filed is understated by
19 approximately \$0.5 million and revenue requirement understated by \$34,000.
20 Hydro intends to incorporate the revised values in its final Test Year Cost of
21 Service Study.

2007 Fuel Run

<u>Rate Base Item</u>	<u>1-Jan</u>	<u>31-Jan</u>	<u>28-Feb</u>	<u>31-Mar</u>	<u>30-Apr</u>	<u>31-May</u>	<u>30-Jun</u>	<u>31-Jul</u>	<u>31-Aug</u>	<u>30-Sep</u>	<u>31-Oct</u>	<u>30-Nov</u>	<u>31-Dec</u>	<u>13-Month Average</u>
Fuel														
Holyrood Gas Turbine (IGN incl)	\$141,421	\$148,002	\$154,850	\$133,469	\$112,088	\$90,707	\$69,326	\$76,562	\$55,571	\$148,098	\$127,718	\$135,620	\$143,559	\$118,230
HV/GB GT	134,924	154,063	142,774	131,485	150,742	139,573	128,403	147,761	136,689	125,617	145,053	134,060	123,067	138,016
Stephenville GT	443,108	425,058	407,007	388,957	370,907	500,597	481,587	462,577	443,567	424,558	405,548	534,528	514,817	446,370
Hardwoods GT	689,507	809,129	794,102	779,075	764,048	749,022	733,995	718,968	837,992	822,366	806,741	791,116	755,491	773,196
HY Thermal	15,760,324	23,696,805	32,950,041	43,477,282	28,506,542	18,837,620	13,785,315	13,785,315	13,785,315	11,913,945	17,690,438	17,808,721	11,652,859	20,280,809
Diesel	3,143,931	2,727,503	2,353,962	1,986,827	1,820,559	1,851,121	2,747,320	2,818,533	2,452,283	2,234,943	2,999,602	3,159,743	2,941,578	2,556,762
Additives (2005)	26,379	115,198	103,198	88,490	77,930	76,387	74,296	68,296	60,307	57,565	55,953	55,782	51,188	70,075
Lubricants (2005)	83,554	83,554	87,227	87,227	87,227	87,227	87,227	87,227	87,227	87,227	87,227	87,227	87,227	86,662
	<u>\$20,423,148</u>	<u>\$28,159,312</u>	<u>\$36,993,161</u>	<u>\$47,072,812</u>	<u>\$31,890,043</u>	<u>\$22,332,254</u>	<u>\$18,107,469</u>	<u>\$18,165,239</u>	<u>\$17,858,951</u>	<u>\$15,814,319</u>	<u>\$22,318,280</u>	<u>\$22,706,797</u>	<u>\$16,269,786</u>	<u>\$24,470,121</u>

Location	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	13-Month Average
Mud Lake	\$1,796	\$1,796	\$1,796	\$1,768	\$1,768	\$1,768	\$1,761	\$1,761	\$1,761	\$1,691	\$1,691	\$1,691	\$1,691	\$1,749
Northside Plant	47,086	46,883	45,793	45,302	45,459	45,008	44,527	44,261	44,684	44,211	41,789	40,200	34,647	43,835
Francois	48,881	48,679	47,589	47,070	47,227	46,775	46,288	46,022	46,444	45,901	43,480	41,890	36,338	45,583
Grey River	4,504	3,990	3,568	2,536	3,702	2,205	4,719	2,537	4,490	1,764	3,842	2,760	2,622	3,326
Little Bay Islands	17,977	19,127	15,732	17,860	21,386	19,953	18,150	16,091	14,473	13,457	17,675	21,263	15,751	17,607
McCallum	9,231	5,796	12,331	6,118	11,455	9,362	7,318	10,256	11,346	5,776	6,917	8,669	6,204	8,521
Petites	43,845	31,248	20,668	9,705	37,938	29,472	21,007	12,710	4,537	12,136	13,743	46,510	33,755	24,406
Ramea	1,063	0	0	0	0	0	0	0	0	0	0	0	0	82
Rencontre East	18,934	19,632	22,078	18,408	21,736	23,330	18,399	19,896	22,961	18,943	20,481	18,953	17,811	20,120
St. Brendan's	72,081	51,989	35,657	17,657	74,594	60,491	45,845	33,075	20,719	7,983	57,313	62,854	44,795	45,004
	14,334	28,252	30,629	32,757	28,421	24,263	31,741	26,161	21,666	13,725	21,629	25,634	21,112	24,640
Hawke's Bay	181,969	160,036	140,663	105,041	199,233	169,075	147,179	120,726	100,192	73,784	141,600	186,643	142,050	143,707
Roddickton Thermal	17,380	24,200	24,200	22,972	22,959	25,963	24,510	19,718	18,336	20,057	19,908	25,806	23,910	22,302
St. Anthony	3,428	2,936	3,141	3,610	2,179	2,179	2,179	2,179	2,179	2,179	2,179	2,179	2,179	2,517
	37,141	35,776	35,574	36,544	35,281	24,577	34,794	28,412	17,034	31,384	38,213	34,614	33,683	32,540
Black Tickle	57,949	62,912	62,915	63,126	60,419	52,719	61,484	50,309	37,549	53,621	60,300	62,599	59,771	57,359
Cartwright	236,610	213,608	193,956	177,033	160,436	133,269	265,180	243,882	227,865	212,446	195,959	282,779	262,126	215,781
Charlottetown	16,572	21,448	21,723	19,076	23,939	6,912	16,681	21,710	16,502	9,052	23,286	10,131	20,309	17,488
Davis Inlet/Sango Bay	284,533	233,928	195,086	154,534	113,259	41,172	25,305	95,223	55,659	177,193	106,692	298,378	252,803	156,444
Hopedale	251,754	244,399	237,367	232,125	226,885	220,028	214,578	209,263	204,403	198,340	192,434	3,752	2,967	187,561
Makkovik	884	1,274	1,952	1,885	3,284	2,903	3,284	3,739	4,494	3,729	1,823	2,798	8,023	3,082
Mary's Harbour	464,934	403,764	357,391	314,978	272,541	233,153	611,941	560,473	503,021	431,452	506,341	448,757	489,585	430,641
Nain	395,022	331,466	276,275	221,766	169,917	423,883	362,413	305,006	257,973	210,563	444,123	402,049	345,579	318,926
Norman Bay	468,189	354,651	247,725	159,315	122,645	52,697	552,550	481,217	408,387	333,910	609,814	523,002	526,208	372,332
Paradise River	32,473	27,695	23,964	19,454	16,231	12,825	9,277	32,729	29,783	26,039	22,280	33,191	28,683	24,202
Port Hope Simpson	23,296	19,511	16,287	13,963	10,951	14,916	12,714	16,628	13,198	10,234	13,458	16,262	22,150	15,659
Postville	8,018	10,086	7,596	7,580	13,549	12,577	7,027	10,705	5,597	3,259	8,334	4,412	6,717	8,112
Rigolet	202,273	176,829	152,773	133,192	113,484	93,195	153,534	135,973	116,528	93,886	155,983	216,991	193,197	149,064
St. Lewis	275,977	233,219	192,204	158,523	124,270	89,069	58,096	316,871	289,416	256,306	224,325	308,087	269,668	215,079
William's Harbour	76,074	73,211	76,591	62,149	55,717	169,304	134,096	105,466	82,341	56,777	226,230	197,810	168,214	114,152
	93,959	84,063	75,185	67,343	59,679	52,788	46,761	40,818	31,104	22,569	14,352	97,343	89,160	59,625
L'Anse Au Loup	2,830,567	2,429,152	2,076,077	1,742,916	1,486,787	1,558,691	2,473,437	2,579,703	2,246,270	2,045,754	2,745,435	2,845,741	2,685,387	2,288,148
	24,564	26,724	26,717	28,673	26,892	23,860	18,933	21,774	21,828	15,884	8,787	22,869	18,032	21,964
	24,564	26,724	26,717	28,673	26,892	23,860	18,933	21,774	21,828	15,884	8,787	22,869	18,032	21,964
Total	\$3,143,931	\$2,727,503	\$2,353,962	\$1,986,827	\$1,820,559	\$1,851,121	\$2,747,320	\$2,818,533	\$2,452,283	\$2,234,943	\$2,999,602	\$3,159,743	\$2,941,578	\$2,556,762

Forecast Average Price/l 0.584