

1 Q. Provide a comparison of the exchange rate used in estimating the fuel price
2 forecast for 2007 in NP-112 NLH with exchange rate used in the fuel price
3 forecast in Hydro's original filing and estimate the impact on No. 6 fuel costs
4 and No. 2 fuel costs for 2007 based on the change in the forecast exchange
5 rates.

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8 A. Please see Table A below for a comparison of the exchange rate used in the
9 2007 fuel price forecast in NP 112 NLH and the 2007 fuel price forecast used
10 in Hydro's original filing. Table B and Table C on page 2 show the impact on
11 No. 6 and No. 2 fuel prices for 2007 based only on the change in the forecast
12 exchange rates.

Table A - Exchange Rate Forecast for 2007(\$US/\$Cdn)

	<u>Original Filing</u>	<u>NP 112 NLH</u>	<u>Difference</u>
Jan-07	0.887	0.879	-0.008
Feb-07	0.887	0.879	-0.008
Mar-07	0.887	0.879	-0.008
Apr-07	0.888	0.877	-0.011
May-07	0.888	0.877	-0.011
Jun-07	0.888	0.877	-0.011
Jul-07	0.877	0.878	0.001
Aug-07	0.877	0.878	0.001
Sep-07	0.877	0.878	0.001
Oct-07	0.865	0.881	0.016
Nov-07	0.865	0.881	0.016
Dec-07	0.865	0.881	0.016
2007 Average	0.879	0.879	0.000

Table B - No. 6 Fuel Price Forecast for 2007 (\$Cdn/bbl)

	<u>Original Filing</u>	Original Filing with NP 112 NLH <u>Exchange</u>	<u>Impact on Fuel Price</u>
Jan-07	58.55	59.10	0.55
Feb-07	55.75	56.25	0.50
Mar-07	54.30	54.80	0.50
Apr-07	54.40	55.10	0.70
May-07	55.65	56.35	0.70
Jun-07	58.40	59.10	0.70
Jul-07	58.95	58.90	-0.05
Aug-07	59.15	59.10	-0.05
Sep-07	57.95	57.90	-0.05
Oct-07	56.50	55.45	-1.05
Nov-07	54.80	53.80	-1.00
Dec-07	54.70	53.70	-1.00
2007 Average	56.60	56.65	0.05

Note: Pricing is for 1% sulphur fuel.

Table C - No. 2 Fuel Price Forecast for 2007 (\$Cdn/l)

	<u>Original Filing</u>	Original Filing with NP 112 NLH <u>Exchange</u>	<u>Impact on Fuel Price</u>
Annual Average of Interconnected Delivery Points*	0.663	0.663	0.000
Average of Isolated Delivery Points			
1st Quarter	0.745	0.751	0.006
2nd Quarter	0.708	0.715	0.007
3rd Quarter	0.742	0.741	-0.001
4th Quarter	0.739	0.728	-0.011
Annual	0.734	0.734	0.000

* Due to low volumes, price forecasts are on an annual basis.