

1 Q. Provide a revised 2007 test year cost forecast for No. 2 fuel and other
2 (excluding No. 6 fuel) based on the most recent PIRA forecast accompanied
3 by a comparison with the 2007 test year forecast for No. 2 fuel provided in
4 the original filing. (NP-112)

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7 A. Table 1 below provides the revised No. 2 fuel costs based on the most recent
8 PIRA forecast. Table 2 provides a comparison of the 2007 test year No. 2
9 fuel price forecast with the most recent forecast PIRA forecast.

Table 1

Comparison of Fuel Costs (\$ thousands)

No. 2 Fuel Costs	2007 Test Year As Filed	Most Recent Forecast (Sep 2006)	Difference
Isolated Fuel	\$11,783	\$11,955	\$172
Island Interconnected	\$534	\$538	\$4
Labrador Interconnected	\$157	\$159	\$2

Table 2

No. 2 Fuel Price Forecast for Diesel Fuel for 2007 (\$Cdn/l)

	Original GRA Filing	NLH Fall 2006 Fuel Price Forecast	Difference
Average of Interconnected Delivery Points			
Gas Turbine Fuel	0.619	0.640	0.021
Diesel Fuel	0.721	0.739	0.018
Average of Isolated Delivery Points			
Diesel Fuel	0.734	0.747	0.013

Notes: .

- Price forecasts reflect the landed cost of No. 2 distillate fuel used by Hydro, excluding inventory impacts.
- Local gas turbine fuel pricing derived from annual changes to referenced high sulphur diesel fuel.
- Local interconnected diesel fuel pricing derived from annual changes to referenced low sulphur diesel fuel.
- Local isolated diesel fuel pricing derived from lagged monthly changes to referenced low sulphur diesel fuel.
- Pricing projections are sourced to the PIRA Energy Group Short-Term Oil Prices Forecast, May and September 2006.