

**CA 1 NLH**  
**Application for Approval of Recovery of Costs**  
**of 1% Sulphur Fuel through the RSP**

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**New York Harbour No. 6 Fuel Oil Prices (\$/BBL CDN)**

	<b>Historical (\$/BBL CDN)</b>			<b>Incremental Cost (\$/BBL CDN)</b>		
	No.6 2% <sub>s</sub>	No.6 1% <sub>s</sub>	No.6 0.5% <sub>s</sub>	1% <sub>s</sub> vs 2% <sub>s</sub>	0.5% vs 2%	0.5% <sub>s</sub> vs 1% <sub>s</sub>
1994	\$17.70	\$20.20	\$21.80	\$2.50	\$4.10	\$1.60
1995	\$20.30	\$22.05	\$23.00	\$1.75	\$2.70	\$0.95
1996	\$23.30	\$26.00	\$28.35	\$2.70	\$5.05	\$2.35
1997	\$21.80	\$23.20	\$25.30	\$1.40	\$3.50	\$2.10
1998	\$16.60	\$18.00	\$20.25	\$1.40	\$3.65	\$2.25
1999	\$21.55	\$22.75	\$25.05	\$1.20	\$3.50	\$2.30
2000	\$33.70	\$36.90	\$42.40	\$3.20	\$8.70	\$5.50
2001	\$28.55	\$31.80	\$36.10	\$3.25	\$7.55	\$4.30
2002	\$33.40	\$35.00	\$38.05	\$1.60	\$4.65	\$3.05
2003	\$35.40	\$38.35	\$43.05	\$2.95	\$7.65	\$4.70
2004	\$33.30	\$36.20	\$42.35	\$2.90	\$9.05	\$6.15
2005	\$45.60	\$50.10	\$57.70	\$4.50	\$12.10	\$7.60

  

	<b>Current Pricing (\$/BBL CDN)</b>			<b>Incremental Cost (\$/BBL CDN)</b>		
	No.6 2% <sub>s</sub>	No.6 1% <sub>s</sub>	No.6 0.5% <sub>s</sub>	1% <sub>s</sub> vs 2% <sub>s</sub>	0.5% vs 2%	0.5% <sub>s</sub> vs 1% <sub>s</sub>
Jan-06	\$52.10	\$54.60	\$60.40	\$2.50	\$8.30	\$5.80
Feb-06	\$53.90	\$54.85	\$58.40	\$0.95	\$4.50	\$3.55
Mar-06	\$53.85	\$54.45	\$59.00	\$0.60	\$5.15	\$4.55

  

	<b>Current Forecast (\$/BBL CDN)</b>			<b>Incremental Cost (\$/BBL CDN)</b>		
	No.6 2% <sub>s</sub>	No.6 1% <sub>s</sub>	No.6 0.5% <sub>s</sub>	1% <sub>s</sub> vs 2% <sub>s</sub>	0.5% vs 2%	0.5% <sub>s</sub> vs 1% <sub>s</sub>
2006	\$54.15	\$55.55	\$59.55	\$1.40	\$5.40	\$4.00
2007	\$53.45	\$55.45	\$59.50	\$2.00	\$6.05	\$4.05
2008	\$53.45	\$55.65	\$59.70	\$2.20	\$6.25	\$4.05
2009	\$53.25	\$55.65	\$59.80	\$2.40	\$6.55	\$4.15
2010	\$51.40	\$54.00	\$58.45	\$2.60	\$7.05	\$4.45
2011	\$54.60	\$57.20	\$61.80	\$2.60	\$7.20	\$4.60
2012	\$56.60	\$59.30	\$64.05	\$2.70	\$7.45	\$4.75
2013	\$56.80	\$59.70	\$64.70	\$2.90	\$7.90	\$5.00
2014	\$57.05	\$60.15	\$65.45	\$3.10	\$8.40	\$5.30
2015	\$58.65	\$61.75	\$67.20	\$3.10	\$8.55	\$5.45
2016	\$59.90	\$63.05	\$68.60	\$3.15	\$8.70	\$5.55
2017	\$61.10	\$64.35	\$70.00	\$3.25	\$8.90	\$5.65
2018	\$62.35	\$65.70	\$71.45	\$3.35	\$9.10	\$5.75
2019	\$63.65	\$67.05	\$72.90	\$3.40	\$9.25	\$5.85
2020	\$64.95	\$68.40	\$74.35	\$3.45	\$9.40	\$5.95
2021	\$66.30	\$69.80	\$75.85	\$3.50	\$9.55	\$6.05
2022	\$67.65	\$71.25	\$77.45	\$3.60	\$9.80	\$6.20
2023	\$69.05	\$72.70	\$79.05	\$3.65	\$10.00	\$6.35
2024	\$70.45	\$74.20	\$80.70	\$3.75	\$10.25	\$6.50
2025	\$71.90	\$75.75	\$82.40	\$3.85	\$10.50	\$6.65

Source: PIRA Energy Group, Bank of Canada and Economic Analysis NLH  
Corporate Fuel Price Forecast as of April 4, 2006.

1   **Q.    Please confirm whether the estimated rate impacts for switching to the**  
2       **1% fuel provided in paragraph 14 of the Application has changed since**  
3       **the date of filing and, if so, what is the currently estimated rate impact?**

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5

6   **A.    The fuel forecast provided in response to CA 1 NLH shows a forecast**  
7       **difference between 2% sulphur fuel and 1% sulphur fuel of approximately \$2**  
8       **per barrel, down from the previous forecast difference of \$3 per barrel.**

9       **Current estimated rate impacts for an increase of \$2 per barrel would result**  
10      **in an approximate 0.50% to 0.75% increase in rates to Newfoundland**

11      **Power's and Hydro's (non-Labrador Interconnected) residential and general**  
12      **service customers and an approximate 1.5% increase to Hydro's Island**

13      **Industrial customers.**